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TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1935

No. 174

GUY T. HELVERING, COMMISSIONER OF INTERNAL REVENUE, PETITIONER

vs.

MINNESOTA TEA COMPANY

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE EIGHTH CIRCUIT

PETITION FOR CERTIORARI FILED JUNE 25, 1935

CERTIORARI GRANTED OCTOBER 14, 1935

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1935

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vs.

MINNESOTA TEA COMPANY

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE EIGHTH CIRCUIT

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A [Caption omitted.]

1 Before United States Board of Tax Appeals

Docket No. 54227

MINNESOTA TEA COMPANY, PETITIONER

vs.

COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

Order extending time to file record to May 15, 1934

For cause appearing of record, it is

Ordered: That the time for transmission and delivery of the record sur petition for review of the above-entitled proceeding by the United States Circuit Court of Appeals, Eighth Circuit, be and it is hereby extended to May 15, 1934.

(Signed) EUGENE BLACK,
Member.

Dated: Washington, D. C., April 5, 1934.

Now, June 4, 1934, the foregoing order enlarging time certified from the record as a true copy.

[SEAL] B. D. GAMBLE,
Clerk, U. S. Board of Tax Appeals.

(Endorsed:) Filed in the United States Circuit Court of Appeals for the Eighth Circuit on June 18, 1934, E. E. Koch, Clerk.

Before U. S. Board of Tax Appeals

Order extending time to file record to July 2, 1934

For cause appearing of record, it is

Ordered that the time for transmiss[illegible]nd delivery of the record sur petition for review of the above[illegible]itled proceeding by the United States Circuit Court of Appeals, Eighth Circuit, be and it is hereby extended to July 2, 1934.

(Signed) EUGENE BLACK,
Member.

Dated: Washington, D. C., May 15, 1934.

2 Now, June 4, 1934, the foregoing order enlarging time certified from the record as a true copy.

[SEAL] B. D. GAMBLE,
Clerk, U. S. Board of Tax Appeals.

(Endorsed:) Filed in the United States Circuit Court of Appeals for the Eighth Circuit on June 18, 1934, E. E. Koch, Clerk.

Before U. S. Board of Tax Appeals

Docket No. 54227

MINNESOTA TEA COMPANY, PETITIONER

vs.

COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

Docket entries

Appearances: For taxpayer, J. M. Haynes (withdrawn), C. J. McGuire (withdrawn), Oscar Mitchell, Esq.; for comm'r., G. D. Brabson, Esq., Prew Savoy, Esq.

1931
Mar. 20—Petition received and filed. Taxpayer notified. (Fee paid.)
" 21—Copy of petition served on General Counsel.
Apr. 25—Answer filed by General Counsel.
May 2—Copy served on taxpayer, assigned to General Calendar.
1932
Sept. 21—Hearing set Oct. 12, 1932.
Oct. 12—Hearing had before J. M. Sternhagen, Div. 10. Submitted on merits. Stipulation of facts and exhibits filed. Briefs due Nov. 22, 1932. Dec. 1, 1932 for replies. Exchange by counsel.
" 19—Transcript of hearing of 10/12/32 filed.
Nov. 22—Brief filed by taxpayer. Copy served 11/23/32.
" 22—Brief filed by General Counsel.
" 30—Motion for extension for 10 days to file reply brief filed by taxpayer. Granted.
Dec. 12—Reply brief filed by taxpayer.
1933
June 30—Opinion rendered J. M. Sternhagen, Div. 10. Judgment will be entered under Rule 50.
3 July 29—Motion for rehearing filed by General Counsel. 8/1/33 granted.
Sep. 1—Motion to set aside order granting respondent's motion for rehearing filed by taxpayer. 9/29/33 denied.
" 29—Memorandum to accompany denial of motion of petitioner (filed Sept. 1, 1933) filed.
Oct. 17—Rehearing set Nov. 8, 1933.
" 25—Motion for leave to amend answer, amendment tendered, filed by General Counsel. 10/27/33 granted.
" 26—Motion to refer to full Board Judge Sternhagen's decision on petitioner's motion filed by taxpayer.
Nov. 7—Order denying taxpayer's motion of 10/26/33 entered.
" 8—Hearing had before Mr. Sternhagen on motion for rehearing—respondent closes on rehearing. Petitioner moves for judgment as per deficiency notice. Denied. Statement of recomputation—(petitioner has been served by respondent—no contest). Judgment will be entered.
" 13—Judgment entered, J. M. Sternhagen, Div. 10.
" 14—Transcript of hearing of Nov. 8, 1933, filed.

1934
Feb. 5—Notice of withdrawal of J. Marvin Haynes and C. J. McGuire and appearance of Oscar Mitchell as counsel for taxpayer filed.
" 5—Petition for review by U. S. Circuit Court of Appeals (8) with assignments of error filed by taxpayer.
" 5—Proof of service filed by taxpayer.
Mar. 10—Praecipe with proof of service thereon filed.
" 20—Copy of order from 8th Circuit directing transcript of proceedings to be incorporated into transcript filed.
Apr. 5—Order enlarging time to May 15, 1934, for transmission and delivery of record sur petition for review entered.
4 May 15—Order enlarging time to July 2, 1934, for transmission and delivery of record sur petition for review entered.

Before United States Board of Tax Appeals

[Title omitted.]

Petition of Minnesota Tea Company

Filed March 20, 1931

The above-named petitioner hereby petitions for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency (IT:AR:D-3:SON-60D) dated January 26, 1931, and as a basis of its proceeding alleges as follows:

1. The petitioner is a corporation with principal office at 2023 West Superior Street, Duluth, Minnesota.

2. The notice of deficiency (a copy of which is attached and marked "Exhibit A") was mailed to the petitioner on January 26, 1931.

3. The taxes in controversy are income taxes for the year 1928 and in the amount of $11,587.64.

4. The determination of tax set forth in the said notice of deficiency is based upon the following errors:

The respondent has erroneously included in taxable income an amount of $106,471.73, representing an alleged profit realized from the transfer of petitioner's assets in a reorganization.

5. The facts upon which the petitioner relies as the basis of this proceeding are as follows:

(a) On August 23, 1928, in pursuance of a plan of reorganization, petitioner transferred all of its assets to Grand Union Company and received in exchange therefor 18,000 shares of common stock of said Grand Union Company plus $426,842.52 in cash.

(b) Petitioner in pursuance of the plan of reorganization, immediately distributed all of the cash to its stockholders.

(c) Petitioner's stockholders assumed liabilities of the corporation amounting to $106,471.73.

5 (d) Respondent has added to petitioner's taxable income an amount of $106,471.73, representing an alleged profit realized by the petitioner upon the above transfer of assets.

(e) If the amount of $106,471.73 is excluded from petitioner's taxable income, petitioner sustained a net loss for the year 1928.

6. Wherefore, the petitioner prays that this Board may hear the proceeding and—

(a) Exclude from petitioner's taxable income the amount of $106,471.73.

(b) Disallow the deficiency of $11,587.64.

(c) Afford such further relief as the nature of the case may require and to the Board may seem equitable and proper.

J. MARVIN HAYNES,
Counsel for Petitioner, 916 Investment Bldg., Washington, D. C.

Of Counsel: Lybrand, Ross Bros. & Montgomery, C. J. McGuire, W. C. Magathan.

Dated, March 18, 1931.

[*Duly sworn to by E. C. Peterson, jurat omitted in printing.*]

6 *Exhibit "A" to petition*

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, January 26, 1931.

MINNESOTA TEA COMPANY,
2023 West Superior Street, Duluth, Minnesota.

Sirs: In accordance with the provisions of section 273 (a) of the Revenue Act of 1928, there has been assessed against you an income tax amounting to $11,587.64 for the taxable period January 1, 1928, to August 24, 1928, the details of which are set forth in the statement attached.

In accordance with section 272 of the Revenue Act of 1928, notice is hereby given to the deficiency mentioned. Within sixty days (not counting Sunday as the sixtieth day) from the date of the mailing of this letter, you may petition the United States Board of Tax Appeals for a redetermination of your tax liability.

Respectfully,

DAVID BURNET,
Commissioner.
By (Signed) J. C. WILMER.

Enclosures:
Statement.
Schedule.

STATEMENT

IT:AR:D-3
SON-60D

In re: Minnesota Tea Company, 2023 West Superior Street, Duluth, Minnesota.

Tax liability

Period, January 1, 1928, to August 24, 1928:	
Correct tax liability	$11,587.64
Tax previously assessed	None
Deficiency	$11,587.64

Reference is made to the report of the internal revenue agent in charge, St. Paul, Minnesota, disclosing no change in your tax liability for the period indicated.

7 You are advised that this office may not approve the recommendation of the agent in charge, of which you were advised under date of August 25, 1930, that your return for the period ended August 24, 1928, be accepted as correct.

The reasons for this action are as follows:

This office holds that a taxable profit resulted to the Minnesota Tea Company from the disposition of its assets and business on August 23, 1928, to the Grand Union Company in exchange for stock of the latter and a sum in cash, whereas the examining officer held that the transaction was a reorganization under section 112 (i) (1) (B) of the Revenue Act of 1928 and resulted in no gain or loss to the Minnesota Tea Company or the Peterson Investment Company.

The facts in the case show that prior to such disposition of its assets, the Minnesota Tea Company formed, or caused to be formed, the Peterson Investment Company, and on July 14, 1928, certain assets were transferred by your corporation to the latter corporation in exchange for the entire capital stock of the latter. The assets so transferred to the newly formed corporation consisted of real estate and buildings, investments, and certain other assets. Immediately upon receipt of such stock by your corporation it was distributed pro rata among its stockholders.

The remaining assets in the Minnesota Tea Company were transferred to the Grand Union Company on August 23, 1928, in exchange for 18,000 shares of common stock in said Grand Union Company and a payment in cash in the amount of $426,842.52. The aforesaid 18,000 shares of common stock in the Grand Union Company constituted less than a majority of the outstanding shares of stock in said company. The following resolution was adopted at a special meeting of the stockholders of the Minnesota Tea Company held on August 22, 1928, with respect to the disposition of the aforesaid cash received by said company.

"Resolved further that all moneys received by Minnesota Tea Company on such sale of its assets and in consideration thereof, whenever received, shall be immediately distributed to the stockholders of Minnesota Tea Company ratably and in the proportion of their respective stockholdings in Minnesota Tea Company upon the assumption by the stockholders of all the corporate debts of Minnesota Tea Company in order to enable the company to

8 hold all the corporate stock or securities received by it for its assets on such sale thereof without being compelled to sell

any part of the same, and the Board of Directors are hereby authorized and directed to so distribute the said moneys as aforesaid and in behalf of the company enter into a written agreement with the stockholders, signed and executed by the company and all the stockholders whereby said stockholders, in consideration of such distribution and for the purpose of enabling the company to continue to hold the said corporate stock and securities without being compelled to sell any part thereof for the payment of existing debts, agree to pay all the corporate debts of the Minnesota Tea Company whether due and payable or not and whether certain or contingent."

The facts at hand show that the Minnesota Tea Company owed debts amounting to $106,471.73 and that on August 23, 1928, it distributed the first cash received through the following journal entry:

"Dr.	Reserve for appreciation of goodwill	$256,348.90	
	Notes payable	25,000.00	
	Accounts payable	73,918.46	
	A. F. Peterson	130.58	
	L. T. Peterson	1,613.74	
	E. C. Peterson	4,779.78	
Cr.	Cash		$361,791.46

"To record distribution to stockholders in accordance with plan of reorganization adopted and ratified at meeting of the stockholders on 3 22/28 of the cash received and assumption of the liabilities by the stockholders in accordance with agreement.

"From this it will be noted that the stockholders accounts payable were paid in cash by the corporation through the above journal entry, and the balance of the liabilities were paid by the stockholders after the above distribution.

SCHEDULE 1

Net loss reported on return		($9,908.07)
Additional income:		
Profit on disposition of assets		106,471.73
Net income adjusted		96,563.66

9 Explanation of changes

For details see statement.

SCHEDULE #2

Computation of tax

Net income adjusted	$96,563.66
Tax on 12%	11,587.64
Tax previously assessed	None
Deficiency in tax	11,587.64

"There is a difference of $1,029.17 between the total liabilities above and the amount of $106,471.73 which was adjusted at the time the balance of the sale price of $426,842.52 was received."

From the foregoing it is to be assumed that the entire amount of cash received by the Minnesota Tea Company from the Grand Union Company was distributed to the stockholders in the Minnesota Tea Company, who paid the debts of said latter corporation out of the moneys received, said stockholders retaining out of said moneys the following amounts in their capacity as creditors of said corporation:

A. F. Peterson	$130.58
L. T. Peterson	1,613.74
E. C. Peterson	4,779.78

After the distribution of the cash received from the sale of its assets, the Minnesota Tea Company had nothing on its books except the stock in the Grand Union Company. The corporate structure of the Minnesota Tea Company had not changed. It is still a going concern, and its stock is held by the same persons as before the sale.

With reference to the transfer of a portion of its assets to the Peterson Investment Company, since the Minnesota Tea Company or its stockholders or both were in complete control of the transferee immediately after the transfer, said transaction clearly constituted a reorganization under section 112 (i) (1) (B) of the Revenue Act of 1928, to which both of said corporations were parties. No taxable gain resulted to the Minnesota Tea Company from this transaction under section 112 (b) (4) of the Revenue Act of 1928. No gain was recognized to the stockholders in the Minnesota Tea Company under section 112 (g) of the aforesaid act. No gain was recognized to the Peterson Investment Company, said transaction being regarded as a purchase from the standpoint of said company. The cost or other basis of the stock in the Minnesota Tea Company to the stockholders therein should be allocated or apportioned between that stock and the stock in the Peterson Investment Company, in the ratio or proportion of the respective values thereof as of the effective date of the distribution to the stockholders of the stock in the latter, as provided in article 600 of Regulations 74, as amended by Treasury Decision 4274, Cumulative Bulletin VIII–2, page 240. Under section 112 (a) (7) of the 1928 Act the basis of the assets transferred by the Minnesota Company to the Peterson Investment Company is the same as said assets had in the hands of the Minnesota Tea Company.

With reference to the transfer of the remaining assets to the Grand Union Company on August 23, 1928, it is to be noted that said assets constituted all the properties then owned by the Minnesota Tea Company. Said transfer, therefore, falls within the definition of a reorganization as set out in section 112 (i) (1) (A) of the 1928 Act in that it was the acquisition by one corporation of all the properties of another corporation. Both the Minnesota Tea Company and the Grand Union Company were parties to said reorganization. General Counsel's Memorandum 3827, Cumulative Bulletin, VII–2, page 114.

The Minnesota Tea Company, having distributed the entire $426,842.52 cash received by it to its stockholders in the manner herein-

above related, the question is presented, whether such distribution, to the extent that said money was used to pay the corporate debts in the amount of $106,471.73, including the debts of said corporation to its stockholders, fall within the meaning of the word "distribute" as it is used in section 112 (d) (2) of the 1928 Revenue Act. To the extent that the stockholders were required to pay the corporate debts out of such money, they clearly could not be taxed on such income, nor would the basis of their stock be affected. Such distribution redounded to the benefit of the corporation as much as if the corporation itself had paid its corporate debts out of said cash received, and distributed the balance to its stockholders as ordinary or liquidating dividends.

The effect of using the money to pay the corporate debts, whether paid directly by the corporation to the creditors, or by the corporation to its stockholders who in turn paid the creditors, would be to increase the value of the corporate property to the extent
11 of the debts paid. In other words, the corporation, from an economic standpoint, would retain the benefit of the cash received just as if it had kept said cash and left its debts outstanding. The Bureau has, heretofore, taken the position that the word "distribute" does not include a distribution to creditors. This being true, it seems to logically follow that a distribution to stockholders for the benefit of creditors falls within the same category.

In the light of the foregoing it is the opinion of this office that the word "distribute" as used in section 112 (d) (2) of the 1928 Act can reasonably and should be interpreted to mean a distribution to stockholders to be used for their own benefit, and not a distribution to or for the benefit of creditors, and that the Minnesota Tea Company did not distribute the cash received by it to the extent of the amount of its debts, namely, $106,471.73, within the meaning of section 112 (d) (2) of the 1928 Act.

The basis of the assets transferred by the Minnesota Tea Company to the Grand Union Company was $199,016.09, taxable gain in the amount of $106,471.73 was realized by the Minnesota Tea Company as a result of the transaction between it and the Grand Union Company, under the provisions of section 112 (d) (2) of the 1928 Revenue Act. The basis of the stock in the Grand Union Company in the hands of the Minnesota Tea Company must be determined under section 113 (a) (6) of the Revenue Act of 1928. No gain or loss was recognized to the Grand Union Company, the transaction being regarded as a purchase from the standpoint of said company.

In view of the fact that there has been a transfer of your assets, the Bureau will be unable to afford you an opportunity under the provisions of article 1211 of Regulations 69 and/or article 451 of Regulations 74 to discuss your case before mailing formal notice of its determination as provided in sections 274 and 279 of the Revenue Act of 1926 and/or sections 273 and 274 of the Revenue Act of 1928 and it is, therefore, necessary at this time in order that the interests of the Government may be protected to issue this formal notice of deficiency.

Before United States Board of Tax Appeals

[Title omitted.]

Answer of Commissioner of Internal Revenue

Filed April 25, 1931

12 The Commissioner of Internal Revenue by his attorney, C. M. Charest, General Counsel, Bureau of Internal Revenue, for answer to the petition of the above-named taxpayer admits, alleges, and denies as follows:

1 and 2. Admits the allegations of paragraphs 1 and 2 of the petition.

3. Alleges that the notice of deficiency dated January 26, 1931, sets forth a deficiency in income tax amounting to $11,587.64 for the period January 1, 1928, to August 24, 1928.

4. Denies the allegations of paragraph 4 of the petition, and further denies that the respondent erroneously determined the tax liability of the petitioner for the said period.

5 (a) to (e), inclusive. Denies any knowledge or information sufficient to form a belief as to the truth of the allegations of paragraphs 5 (a) to (e), inclusive, of the petition, and therefore denies the same.

6. Denies generally and specifically each and every allegation of the petition not hereinbefore admitted or denied.

Wherefore, it is prayed that the appeal be denied.

(Signed) C. M. CHAREST,
General Counsel,
Bureau of Internal Revenue.

Of counsel:
HARTFORD ALLEN,
Special Attorney,
Bureau of Internal Revenue.

Before United States Board of Tax Appeals

Amendment to answer of Commissioner of Internal Revenue

Filed October 27, 1933

Now comes the Commissioner of Internal Revenue, by his attorney, E. Barrett Prettyman, General Counsel, Bureau of Internal Revenue, and for amendment to his answer heretofore filed herein on April 25, 1931, alleges:

(1) That in the notice of deficiency for the taxable period in question mailed to petitioner under date of January 26, 1931, the Commissioner assumed that the acquisition by the Grand Union Company of substantially all of the assets of the Minnesota Tea

Company constituted a reorganization such as is contemplated by Section 112, Revenue Act of 1928, such reorganization having
13 been claimed by the petitioner in its income-tax return for said period; and respondent therefore treated the gain realized by petitioner from said transaction as nontaxable except as to the amount of the cash received by the stockholders of petitioner which was used by them to pay the outstanding debts of petitioner in the sum of $106,471.73.

(2) Respondent now alleges that his action in so doing was erroneous; that said transaction was not in fact a reorganization as contemplated by the statute and that petitioner was taxable upon the entire amount of gain realized by the petitioner from said transaction in the amount of $712,195.90, which sum represents the difference between the cost of petitioner's properties sold, to-wit, $254,646.62 and the sum total of the cash and the value of the stock received by petitioner, to-wit, $426,842.52 cash and $540,000.00, the value of the 18,000 shares of Grand Union Company.

Wherefore, respondent prays that the contentions of petitioner be denied and that a deficiency in tax be redetermined against the taxpayer for the period January 1 to August 24, 1928, in accordance with the attached recomputation.

(Signed) E. BARRETT PRETTYMAN,
General Counsel,
Bureau of Internal Revenue.

Of counsel:
GEORGE D. BRABSON,
Special Attorney,
Bureau of Internal Revenue.

Before United States Board of Tax Appeals

[Title omitted.]

Agreed statement of facts

Filed October 12, 1932

It is hereby stipulated and agreed by and between Minnesota Tea Company, petitioner, and the Commissioner of Internal Revenue, respondent, by their respective attorneys, that the following facts shall be taken as true, provided, however, that this stipulation shall be without prejudice to the right of either party to introduce other and further evidence not at variance with the facts herein stipulated.

14 1. The petitioner is a Minnesota corporation with principal office at 2023 West Superior Street, Duluth, Minnesota, engaged in the business of selling teas, coffees, and groceries at retail.

2. On July 14, 1928, the petitioner formed, or caused to be formed, the Peterson Investment Company, a corporation, and transferred thereto certain of its assets in exchange for the entire capital stock of Peterson Investment Company. The assets so transferred to the newly formed corporation consisted of real estate and buildings, investments, and other miscellaneous assets. Immediately upon receipt of the stock of Peterson Investment Company it was distributed by petitioner pro rata among its stockholders.

3. The organization of Peterson Investment Company, and the subsequent action described in paragraph 2 immediately preceding, was accomplished in accordance with a resolution of the stockholders of Minnesota Tea Company, adopted on June 18, 1928, a copy of which is attached hereto, made a part hereof, and marked "Exhibit F."

4. On August 23, 1928, petitioner transferred all of its assets to Grand Union Company, another corporation, and received in exchange therefor 18,000 shares of common stock of said Grand Union Company, plus $426,842.52 in cash.

5. The transfer effected as described in paragraph 4, immediately preceding, was accomplished in accordance with the following plan:

(a) On August 22, 1928, the stockholders of Minnesota Tea Company adopted a resolution, a copy of which it attached hereto, made a part hereof, and marked "Exhibit A."

(b) A copy of the option dated July 2, 1928, referred to in the aforedescribed resolution is attached hereto, made a part hereof, and marked "Exhibit B."

(c) On August 22, 1928, the Directors of Minnesota Tea Company adopted a resolution, a copy of which is attached hereto, made a part hereof, and marked "Exhibit C."

(d) On July 6, 1928, the option of July 2, 1928, was accepted by O. B. Westphal, Esq., who in all of the transactions with Minnesota Tea Company was acting as agent for Grand Union Company.

(e) On July 24, 1928, an agreement supplemental to the option of July 2, 1928, was accomplished, a copy of which is attached hereto, made a part hereof, and marked "Exhibit D."

(f) Also attached hereto and made a part hereof is a copy of the minutes of a stockholders meeting held on August 23, 1928, marked "Exhibit E."

6. Upon receipt of such consideration, the petitioner immediately paid the entire sum of $426,842.52 so received to its stockholders in proportion to their stockholdings.

7. Said payment was made pursuant to the following resolution adopted at a special meeting of the stockholders of petitioner held on August 22, 1928, at which the aforesaid reorganization was approved by the stockholders:

"Resolved further that all moneys received by Minnesota Tea Company on such sales of its assets and in consideration thereof, whenever received, shall be immediately distributed to the stockholders of Minnesota Tea Company ratably and in the proportion

of their respective stockholdings in Minnesota Tea Company upon the assumption by the stockholders of all the corporate debts of Minnesota Tea Company in order to enable the company to hold all the corporate stock or securities received by it for its assets on such sale thereof without being compelled to sell any part of the same, and the Board of Directors are hereby authorized and directed to so distribute the said moneys as aforesaid and in behalf of the company enter into a written agreement with the stockholders, signed and executed by the company and all the stockholders whereby said stockholders, in consideration of such distribution and for the purpose of enabling the company to continue to hold the said corporate stock and securities without being compelled to sell any part thereof for the payment of existing debts, agree to pay all the corporate debts of the Minnesota Tea Company whether due and payable or not and whether certain or contingent."

8. The amount of the liabilities of the petitioner at August 23, 1928, which were assumed and discharged by the stockholders of petitioner, pursuant to the foregoing quoted resolution, was $106,471.73.

9. Respondent in determining the proposed deficiency herein added to petitioner's taxable income an amount of $106,471.73, representing an alleged profit realized upon the above transfer of assets to Grand Union Company.

16 10. If the said amount of $106,471.73 so added by the Commissioner to petitioner's taxable income be excluded therefrom, petitioner sustained a net loss for the year 1928.

C. J. McGUIRE,
Attorney for Petitioner.
C. M. CHAREST,
General Counsel,
Attorney for Respondent.

Exhibit "A"

Minutes of the special meeting of the stockholders of Minnesota Tea Company, held at its office in the City of Duluth, Minnesota, on the 22nd day of August 1928 at ten o'clock in the forenoon.

Pursuant to the call of the president a special meeting of the stockholders of the company was held at its offices, in the City of Duluth, Minn., on August 22nd, 1928, at ten o'clock in the forenoon, after all the stockholders in writing had mutually agreed and consented to the holding of such meeting and waived notice of the time and place and the purposes of such meeting required by the bylaws of the company and the statutes of the state.

All the stockholders were present during the meeting and participated therein and in the proceedings.

E. C. Peterson presided and A. F. Peterson acted as the secretary thereof.

The president reported to the meeting that it was advisable that all the assets of the company should be sold under the option dated July 2, 1928, given by the president and secretary to O. B. Westphal as modified by an agreement dated July 24th, 1928, upon the terms therein set out, except that, as the company has conveyed all its real estate, the lease specified in such option shall be made by Peterson Investment Company, the owner of the property, and further that it was advisable to distribute to the company's stockholders all the moneys received on such sale, whenever received by the company, ratably according to their stockholdings, and that the stockholders should assume the corporate debts to enable it to hold all the corporate stock or securities received.

After a full discussion and consideration of the matters re-
17 lating to such reorganization and in order to effect such reorganization by the sale of the company's assets for corporate securities or stock and moneys and the distribution of the moneys to the stockholders and the retention by the company of all the said stock and securities, a written resolution was read and its adoption moved, seconded, and carried by the unanimous vote of all the stockholders. Such resolution was of words and tenor as follows:

"Resolved that the written option, dated July 2nd, 1928, and made by the President and Secretary of the company, in behalf of Minnesota Tea Company, to O. B. Westphal, signed by said officers and said O. B. Westphal, and the written agreement, dated July 24th, 1928, and made by said officers of the company and said O. B. Westphal, modifying the said option, be and hereby are ratified, confirmed, and approved, and that the actions of the President and Secretary in giving and executing such option and in signing and executing such agreement modifying said option be and are hereby in all things ratified, confirmed, and approved.

Resolved further that the assets of Minnesota Tea Company described in said option, being all, or substantially all, the assets of Minnesota Tea Company, be sold and delivered to said O. B. Westphal, or his nominee, in pursuance of and under such option and agreement modifying the same and on the terms therein stipulated and thereby agreed and for the consideration therein and thereby stipulated, or upon such other terms as may be deemed advisable by the board of directors, and that any other assets, if any there be, owned by, or in the disposition of, Minnesota Tea Company be sold or assigned by this company to the purchaser of the assets specified in said option, if possible, upon such terms as may be obtained.

Resolved further that the Board of Directors be and hereby are authorized and directed to effect and make such sale and transfer of all the assets of Minesota Tea Company upon the terms and for the considerations stipulated in said option and agreement modifying the same, or upon such other terms as the Board of Directors, or the president, by the board thereto authorized, may deem advisable.

Resolved further that the Board of Directors, in order to effect such sale of said assets of this company, and to carry out the
18 terms of said option as modified and of the terms of any agreement, hereby authorized, relative thereto, be and are hereby authorized and directed to cause to be executed and delivered to the purchaser of said assets, in behalf of and by Minnesota Tea Company, any bill of sale, assignments, agreements or other instruments by the President and the Secretary and to cause Peterson Investment Company to execute the lease specified in said option to The Grand Union Company on terms satisfactory to The Grand Union Company.

Resolved further that all moneys received by Minnesota Tea Company on such sale of its assets and in consideration thereof, whenever received, shall be immediately distributed to the stockholders of Minnesota Tea Company ratably and in the proportion of their respective stockholdings in Minnesota Tea Company upon the assumption by the stockholders of all the corporate debts of Minnesota Tea Company in order to enable the company to hold all the corporate stock and securities received by it for its assets on such sale thereof without being compelled to sell any part of the same, and the Board of Directors are hereby authorized and directed to so distribute the said moneys as aforesaid and in behalf of the company enter into a written agreement with the stockholders, signed and executed by the company and all the stockholders whereby said stockholders, in consideration of such distribution and for the purpose of enabling the company to continue to hold the said corporate stock and securities without being compelled to sell any part thereof for the payment of existing debts, agree to pay all the corporate debts of Minesota Tea Company whether due and payable or not and whether certain or contingent.

Resolved further that Minnesota Tea Company shall continue to own and hold the said corporate stock and securities without the sale or distribution thereof."

It was then moved, seconded, and carried by the vote of the stockholders that the written consent to the holding of the special meeting and the waiver of notice of the holding thereof and the written resolution adopted at the meeting be copied into the minutes of the meeting and that said written consent and waiver and said written resolution adopted be filed with the files and records of the company.

The said written consent and waiver were of the following words and tenor:

We, the undersigned, being all the stockholders of Minnesota
19 Tea Company, do hereby mutually consent to the holding of a special meeting of the stockholders of Minnesota Tea Company and its stockholders at the office of the corporation in the City of Duluth, Minnesota, for any purpose, or purposes, that may affect the corporation and its business, as call by the President, and we

waive any and every notice, or notices, of such meeting and of the purpose thereof required by the statutes of Minnesota or the By-Laws of the corporation.

Dated August 22, 1928.

(Signed) E. C. PETERSON.
L. T. PETERSON.
A. F. PETERSON.

The meeting of the stockholders adjourned on motion made and carried.

(Signed) A. F. PETERSON,
Secretary.

Attest:

(Signed) E. C. PETERSON,
President.

The undersigned, being all the stockholders of Minnesota Tea Company, do hereby certify that the foregoing minutes are true and correct.

(Signed) E. C. PETERSON.
L. T. PETERSON.
A. F. PETERSON.

Exhibit "B"

DULUTH, MINN.,
July 2, 1928.

O. B. WESTPHAL, ESQ.,
Chicago, Ill.

DEAR SIR:

In consideration of $100, the receipt of which is hereby acknowledged, the undersigned corporation, organized and existing under the laws of the State of Minnesota, having its principal office at No. 2023 West Superior Street, Duluth, Minnesota, grants to you an irrevocable option as follows:

First: This option shall extend for thirty days from date.

Second: The option may be exercised by notice in writing mailed or delivered to the undersigned by you within the period of the option.

Third: If the option is exercised within the time and in the manner hereinbefore provided, the undersigned shall thereupon be obligated to sell, and you shall be obligated to purchase or cause to be purchased, subject to all of the conditions herein contained, the assets of the undersigned hereinafter described for the consideration hereinafter set forth.

Fourth: The assets referred to in Paragraph Third hereof shall consist of all of the assets owned by the undersigned upon the de-

livery date, of every kind and description other than real estate, buildings, fixtures, cash, the interest of the undersigned in any insurance policies upon the lives of any and all of its officers, and any bills, notes, accounts receivable which you and the undersigned shall consider doubtful and also other than insurance on buildings and fixtures, and including the goodwill and the right to use the name of the undersigned and including all trade marks and trade names.

Fifth: The consideration provided for in Paragraph Third hereof shall consist of the following:

(a) An amount in cash equal to the total value of the following:

(1) Inventories of merchandise and supplies at cost in place of the undersigned, or wholesale market value, whichever shall be lower;

(2) Bills, notes, and accounts receivable at face value, except that with respect to balance of premium accounts, 60% of the face value shall be taken;

(3) Furnishings and equipment at depreciated book value or at reproduction cost less depreciation, whichever shall be lower;

(4) And, such an additional amount in cash for goodwill as, when added to the values of the property described in paragraphs (1), (2), and (3) above, shall make the total consideration provided for in this subdivision (a), the sum of $400,000.

(b) Voting Trust Certificates for Eighteen Thousand (18,000) shares of fully paid and nonassessable Common Stock without par value of The Grand Union Company, a Delaware corporation.

In the event that Lybrand, Ross Brothers & Montgomery and the auditors of the undersigned shall be unable to agree upon the
21 values of the property described in subdivisions (1), (2), and (3) of paragraph Fifth herein, it is agreed between us that the determination of the value of said several items in subdivisions (1), (2), and (3) aforesaid, as made by said Lybrand, Ross Brothers & Montgomery shall be final and binding upon us hereunder.

Sixth: It shall be a condition of the conveyance of the assets of the undersigned as hereinbefore provided, that The Grand Union Company or one of its subsidiaries shall assume all contracts of the undersigned existing at the date hereof, and disclosed in writing to you before the date hereof, together with all contracts entered into by the undersigned between the date hereof and the date of delivery in the ordinary and usual conduct of the business for the purpose of merchandise for a period of not over ninety days and together with all other contracts entered into by the undersigned with your approval between the date hereof and the delivery date. Further, the undersigned agrees not to enter into any contracts for chattels, machinery or equipment during the period of this option without your consent in writing.

It shall be a further condition to the conveyance of the assets of the undersigned as hereinbefore provided that the total value of the assets conveyed of the kind described in subdivisions 1, 2, and 3 of clause (a) of Paragraph Fifth hereof (determined as in said Para-

graph Fifth provided) shall at the time of the conveyance be at least as great as the total value (so determined) of assets of such description owned by the undersigned on December 31, 1927.

In the event the value of the total assets (determined as in said Paragraph Fifth provided) shall at the time of the conveyance be less than the total value (so determined) of assets of such description owned by the undersigned on December 31, 1927; the undersigned agrees to reduce the total purchase price in an amount equal to the difference between the total value of the assets on the date of delivery and the total value of the assets (determined as in said Paragraph Fifth provided) owned by the undersigned on December 31, 1927.

In the event the value of the total assets (determined as in said Paragraph Fifth provided) shall at the time of the conveyance be greater than the total value (so determined) of assets of such description owned by the undersigned on December 31, 1927, then you shall agree to increase the total purchase price in an amount equal to the difference between the total value of the assets (deter-
22 mined as in said paragraph Fifth provided) owned by the undersigned on December 31, 1927.

It is further agreed by the undersigned that between the date hereof and the delivery date, the undersigned will conduct its business in the normal and usual course and will not dispose of any assets or collect any accounts receivable other than in the normal conduct of the business.

Seventh: The delivery date shall be determined by you provided that such delivery date shall be not less than ten and not more that forty-five days after the date of the exercise of the option, and provided further that you shall have given the undersigned at least five days' notice in writing of the delivery date. The place of delivery shall be at such place in New York City, N. Y., as you shall designate. Delivery shall be made by instruments of conveyance in form that are, or should be, satisfactory to your counsel running to a nominee to be named by you upon payment of 90% of the cash purchase price of $400,000 payable under subdivision (a) of Paragraph Fifth hereof, and the delivery of the Voting Trust Certificates provided for in subdivision (b) of Paragraph Fifth hereof. Payment of the balance of the purchase price payable to the undersigned hereunder, or any refund of any excess payment which shall have been made, shall be made upon final determination as to any undisclosed liabilities of the undersigned not assumed by you hereunder, together with interest at the rate of 6% from the date of the delivery, such final determination to be made not later than thirty days after the delivery date. In the event that you shall be unable to make delivery of the Voting Trust Certificates provided for in subdivision (b) of Paragraph Fifth hereof because of any delay in listing the same upon the New York Stock Exchange, the time for the delivery of such Voting Trust Certificates may at your option be extended up to but not later than forty-five days after the delivery date herein-

before provided for; it being understood, however, that you will use your best efforts to make delivery of the Voting Trust Certificates at the earliest possible date.

Eighth: The undersigned further agrees to execute or to cause to be executed, as lessor, a lease for the term of five years from said delivery date, in form and with such provisions as are in common use in Minnesota, at a rental of $36,000 for said term, payable in monthly installments of $600.00 on the first day of each and every month during said term in advance, covering the following de-
23 scribed property in St. Louis County, Minnesota, to wit: The Southerly seventy (70) feet of lot numbered 332, on West First Street, Duluth Proper, Second Division, according to the recorded plat thereof in the office of the Register of Deeds for St. Louis County, Minnesota; and the two-story brick building and basement known as 2021 and 2023 West Superior Street, City of Duluth, Minnesota, except the store room, 20 x 60, known as 2021 West Superior Street; being the premises now used by the undersigned for warehouse and garage purposes; and you agree to cause such lease to be executed by The Grand Union Company or a subsidiary as lessee.

The undersigned further agrees that said lease shall contain an agreement which shall give to the lessee, or assigns, the exclusive right and option to take a lease of said premises, for the additional term of five years, beginning at the termination of the lease provided for above, on the same terms and conditions as the first lease, except as hereinafter specified, provided that notice in writing of intention to exercise the option to take such additional lease shall be served upon the undersigned, its successors or assigns, being the record owners of said real estate at said time, at least three months prior to the termination of the five-year lease first hereinabove described. In the event that the lessee shall elect to exercise the option to take said additional lease, the rental to be paid for said premises for said term shall be such sum per annum as shall equal 10% of the value of said leased premises at the beginning of said second lease term, which rental shall be payable in equal monthly installments in advance on the first day of each month during said term. In the event that the lessee and the undersigned, or our respective successors or assigns, shall be unable to agree upon the value of said leased premises at said time, then the value of said leased premises shall be determined by arbitration, by three arbitrators, one to be selected by the lessee; one to be selected by the undersigned, or assigns; and the third by the two arbitrators so chosen. If any arbitrator provided for hereunder shall not be appointed or selected within a reasonable time, then, either party or assigns, after reasonable notice to the other, may apply to any judge of the United States District Court for Minnesota for the appointment of such arbitrator or arbitrators, whose selection shall be binding upon the parties.

Ninth: The undersigned agrees simultaneously with the conveyance of assets herein provided to change its name to a name satisfactory to you and it further agrees in consideration of the
24 purchase of such assets that it will not hereafter engage in the Wagon Route tea and coffee business in any part of the United States.

Tenth: The undersigned agrees that it will not, for a period of one year from the delivery date, dispose of any of the Voting Trust Certificates to be received by it as hereinbefore provided other than to its stockholders, and it further agrees that if it disposes of any of the same to any of its stockholders, it will cause them at the time of the acquisition to enter into an agreement with The Grand Union Company agreeing that for such period they will not sell or otherwise dispose of any of the same to be acquired by them.

Eleventh: The undersigned agrees upon the delivery date to cause E. C. Peterson (hereinafter called "Employed" or included among those called "Employed"), to enter into an agreement for the employment of E. C. Peterson by The Grand Union Company or a subsidiary for the period of five years at a salary of Eleven Thousand ($11,000) Dollars per annum, payable monthly, plus 3½% of the net profits after income taxes of the branch or branches which will be under the management of the Employed E. C. Peterson, and the undersigned further agrees upon the delivery date to cause L. T. Peterson (hereinafter called the "Employed" or included among those called "Employed") to enter into a like agreement for a period of five years at a salary of Eleven Thousand ($11,000) Dollars per annum, payable monthly, plus 3½% of the net profits, after income taxes, of the branch or branches which will be under the management of the Employed L. T. Peterson, and the undersigned further agrees upon the delivery date to cause A. F. Peterson (hereinafter called the "Employed" or included among those called "Employed") to enter into a like agreement for the period of five years at a salary of Six Thousand Five Hundred ($6,500.00) Dollars per annum, payable monthly, plus 3% of the net profits, after income taxes, of the branch or branches which will be under the management of the Employed A. F. Peterson, such agreements to provide that the Employed will give all his time to the service of your Company or a subsidiary and will not for a period of one year after the termination of his, or their, as the case may be, employment, enter into any business in any part of the United States competitive with the business of The Grand Union Company or any of its subsidiaries, and such agreement or agreements to further provide that not more than 20% of the Voting Trust Certificates which shall be distributed to any one of the Employed by the undersigned shall be sold or otherwise disposed of by the Em-
25 ployed during any year after the first year of his employment.

You agree upon the delivery date to cause The Grand Union Company or a subsidiary to enter into the above described employment contracts.

Twelfth: The undersigned agrees throughout the pendency of this option, to afford to you and your representatives, access at all reasonable times to the books, records, accounts and properties of the undersigned for the purpose of enabling you to acquire any information relative thereto which you may desire.

Thirteenth: Your obligations hereunder shall be subject

(a) to your having exercised the option as hereinbefore provided, and

(b) That the undersigned shall have fully performed all the obligations and conditions hereunder to be performed by it prior to the payment thereunder, and that all requisite action shall have been taken by the undersigned for the purpose of validly conveying the assets as hereinbefore required, including compliance with any applicable Bulk Sales Laws and that the bills of sales and any other instruments or assignments tendered hereunder are sufficient to vest you or your assigns with good and marketable title to all of the assets to be conveyed, and that the lease hereinbefore provided for is valid and binding; all in such manner and form as shall be, or should be, satisfactory to your counsel; and that

(c) the undersigned shall not have suffered a loss on account of fires, flood, accident, or other calamity which in your opinion substantially affects the conduct of its business, regardless whether the amount of such loss shall have been insured.

Fourteenth: All notices under this Agreement shall be in writing and if to the undersigned, shall be sufficient in all respects if delivered in person or sent by registered mail to the undersigned at 2023 West Superior Street, Duluth, Minnesota, and if to you shall be sufficient in all respects if delivered in person or sent by registered mail to you, Evanston Hotel, Evanston, Ill.

Yours very truly,

MINNESOTA TEA COMPANY,
By E. C. PETERSON,
President.

Attest:

A. F. PETERSON, *Secretary.*

26 *Exhibit "C"*

Minutes of the meeting of the Board of Directors of Minnesota Tea Company held on August 22, 1928, at two o'clock in the afternoon, pursuant to call of the President.

All the members of the Board of Directors were present and E. C. Peterson presided at the meeting and A. F. Peterson acted as Secretary.

The following written resolution was read, its adoption moved, seconded, and carried and adopted by the unanimous vote of the Directors:

"Whereas, at a special meeting of the stockholders of Minnesota Tea Company, held at the office of the company, on August 22, 1928

at ten o'clock in the forenoon, the stockholders adopted a resolution in writing of the following words and tenor:—

"Resolved that the written option, dated July 2, 1928, and made by the President and Secretary of the company, in behalf of Minnesota Tea Company to O. B. Westphal, signed by said officers and said O. B. Westphal, and the written agreement, dated July 24th, 1928, and made by said officers of the company and said O. B. Westphal, modifying said option, be and hereby are ratified, confirmed, and approved, and that the actions of the President and Secretary in giving and executing such option and in signing and executing such agreement modifying said option be and are hereby in all things ratified, confirmed, and approved.

Resolved Further that the assets of Minnesota Tea Company described in said option, being all, or substantially all, the assets of Minnesota Tea Company, be sold and delivered to said O. B. Westphal, or his nominee in pursuance of and under such option and agreement modifying the same and on the terms therein stipulated and thereby agreed and stipulated, and upon such other terms as may be deemed advisable by the Board of Directors, or by the President thereto authorized by the Board of Directors, and that any other assets, if any there be, owned by, or in the disposition of, Minnesota Tea Company be sold, or assigned by this company to the purchaser of the assets specified in said option, if possible, upon such terms as may be obtained.

Resolved Further, That the Board of Directors be and hereby are authorized and directed to effect and make such sale and transfer of all the assets of Minnesota Tea Company upon the terms and for the considerations stipulated in said option and agreement modifying same, or upon such other terms as the Board of Directors or the president by the Board thereto authorized, may deem advisable.

27

Resolved Further that the Board of Directors, in order to effect such sale of said assets of this company and to carry out the terms of said option as modified and of the terms of any agreement, hereby authorized, relative thereto, be and are hereby authorized and directed to cause to be executed and delivered to the purchaser of said assets, in behalf of Minnesota Tea Company, and bill of sale, assignments, agreements or other instruments by the President and the Secretary and to cause Peterson Investment Company to execute the lease specified in said option to The Grand Union Company on terms satisfactory to The Grand Union Company.

Resolved Further that all moneys received by Minnesota Tea Company on such sale of its assets and in consideration thereof, whenever received, shall be immediately distributed to the stockholders of Minnesota Tea Company ratably and in the proportion of their respective stockholdings in Minnesota Tea Company upon the assumption by the stockholders of all the corporate debts of Minnesota Tea Company in order to enable the company to hold all the corporate stock and securities received by it for its assets on such

sale thereof without being compelled to sell any part of the same, and the Board of Directors are hereby authorized and directed to so distribute the said moneys as aforesaid and in behalf of the company enter into a written agreement with the stockholders, signed and executed by the company and all the stockholders, whereby said stockholders, in consideration of such distribution and for the purpose of enabling the company to hold the said corporate stock and securities without being compelled to sell any part thereof for the payment of existing debts, agree to pay all the corporate debts of Minnesota Tea Company whether due and payable or not and whether certain or contingent.

Resolved Further that Minnesota Tea Company shall continue to hold and own the said corporate stock and securities without the sale or distribution thereof.

Therefore, resolved, that for the purpose of carrying out the plan of corporate reorganization adopted, authorized, and directed by the stockholders at their said meeting this day by the passing and adoption of the said resolution by them at their said meeting, the written option, dated July 2, 1928, and made by the President
28 and Secretary of the company, in behalf of Minnesota Tea Company, to O. B. Westphal, signed by said officers and said O. B. Westphal, and the written agreement, dated July 24th, 1928, and made by said officers of the company and said O. B. Westphal, modifying the said option, be and hereby are ratified, confirmed, and approved, and the actions of the President and Secretary in giving and executing said option and agreement modifying the same are in all things ratified, confirmed, and approved, and that the assets of Minnesota Tea Company, described in said option, being all, or substantially all the assets of Minnesota Tea Company, be sold and delivered to said O. B. Westphal, or his nominee, in pursuance of and under said option and agreement modifying the same and on the terms therein stipulated and thereby agreed and for the considerations therein and thereby stipulated, or upon such other terms as may be deemed advisable by the President, and that any other assets, if any there be, owned by, or in the disposition of Minnesota Tea Company, be sold or assigned by this company to the purchaser of the assets specified in said option, if possible, upon such terms as may be obtained.

Resolved Further that such sale and transfer of all the assets of Minnesota Tea Company upon the terms and for the consideration stipulated in said option and agreement modifying the same, or upon such other terms as the President may deem advisable, be made and effected, and that the President, or Vice President, and the Secretary, in order to effect such sale of said assets of this company and to carry out the terms of said option as modified and of the terms of any agreement, hereby authorized, relative thereto, be and hereby are authorized and directed to execute in behalf of Minnesota Tea Company any bill of sale, assignments, agreements, and other instruments required to effect such sale and transfer, and also for

such purpose to cause Peterson Investment Company to execute the lease specified in said option to The Grand Union Company on terms satisfactory to The Grand Union Company.

Resolved Further that for the purpose of carrying out said plan adopted by the stockholders at said meeting of the stockholders, all money received by Minnesota Tea Company on the sale of its said assets and in consideration thereof, whenever received, shall be immediately distributed to the stockholders of Minnesota Tea Company ratably and in proportion to their respective stockholdings in Minnesota Tea Company upon the assumption by the stockholders of all the corporate debts of Minnesota Tea Company in order to enable the company to hold all the corporate stock and
29 securities received by it for its assets on such sale thereof without being compelled to sell any part of such stock and securities for the payment of existing debts, and that a contract or agreement in writing shall be entered into by this company with its stockholders and signed by and in behalf of this company and its stockholders, whereby all the said stockholders, in consideration of such distribution and for the purpose of enabling the company to continue to hold the said corporate stock and securities received on said sale of its assets without being compelled to sell any part thereof for the payment of its existing debts, shall agree to pay all the corporate debts of Minnesota Tea Company whether due and payable or not and whether certain or contingent and further that the President be and hereby is authorized and directed to sign and execute such written agreement in behalf of Minnesota Tea Company with the stockholders of the company.

Resolved Further that for the purpose of carrying out said plan adopted by the stockholders, Minnesota Tea Company continue to own and hold the said corporate stock and securities received by it on the sale of its assets without the sale or distribution thereof."

No further business came before the meeting and on motion, duly seconded and carried, the Board then adjourned to meet on call of the President.

(Signed) A. F. PETERSON,
Secretary.

Attest:

(Signed) E. C. PETERSON,
President.

We, being all the Directors, hereby certify that the foregoing minutes are true and correct.

(Signed) E. C. PETERSON,
L. T. PETERSON,
A. F. PETERSON,
Directors.

Exhibit "D"

Agreement Supplemental to Option Dated July 2, 1928, for the Purchase of Minnesota Tea Company Property, Exercised July 6, 1928.

This Agreement, Made this 24th day of July 1928 by and between Minnesota Tea Company, a Minnesota corporation, hereinafter called the Seller, and O. B. Westphal, Esq., of Chicago, Illinois, hereinafter called the Buyer,

Witnesseth:

Whereas, by an instrument in writing dated July 2, 1928, the Seller heretofore granted an option to the Buyer for the purchase of certain assets of the Seller, for the consideration therein set forth, and the Buyer thereafter, on July 6, 1928, exercised said option; and

Whereas, it is desired to have the calculations required by paragraphs Fifth and Sixth of said exercised option made as of August 4, 1928, rather than as of the delivery date referred to in said exercised option, it being the desire of the parties to avoid any further expense of accounting between said August 4, 1928, and the delivery date herein agreed upon;

Now, Therefore, It is Agreed by and between the parties hereto (any act done hereunder or any promise made herein by one of the parties to be taken as full and complete consideration for each and every promise made herein by the other party) as follows:

1. The delivery date referred to in said option is hereby extended to and including August 25, 1928.

2. It is agreed, however, that the calculations required by the Fifth and Sixth paragraphs of said option shall be made as of the end of August 4, 1928.

3. Between said August 4, 1928, and the said delivery date of August 25, 1928, as herein agreed, the Seller shall remain in possession and management of its business, directing the same from its principal office at Duluth, Minnesota. All receipts during said period shall be deposited in a bank account to be opened in the name of "Minnesota Tea Company Special Account."

All expenses during said period shall be paid by checks drawn upon said account. At the close of said period any balance remaining in said special account shall be turned over to the Buyer or his nominee, and any deficit which may exist at that time in said account shall be absorbed by the Buyer, it being the intention hereof to cause the operation of said Minnesota Tea Company to be for the account of the Buyer during said period from the end of August 4, 1928, to and including the delivery date of August 25, 1928, in the event the sale of assets contemplated by said exercised option is consummated, and to cause the operation of said Minnesota Tea Company to be for the account of the Seller during said period from the end of August 4, 1928, to the delivery date in the event the sale of assets contemplated by said exercised option is not consummated.

4. It is further agreed that the assets covered by said exercised option shall include, instead of exclude, all bills, notes, and accounts receivable which the parties to said option and hereto shall consider doubtful, but that in arriving at the price to be paid for the property covered by said option as thus modified, the books of the Minnesota Tea Company shall govern and the bills, notes, and accounts receivable which the parties hereto shall consider doubtful shall be deducted from the face value of corresponding items carried on such books at August 4, 1928, and in figuring the value of the assets as of December 31, 1927, the same percentage for doubtful items shall be deducted from the face value of corresponding items carried on such books at December 31, 1927, in order to determine whether the total purchase price shall be reduced or increased as provided in paragraphs Fifth and Sixth of said option.

5. It is further agreed that the Buyer does now, in good faith, make full inquiry of the Seller as to the names and places of residence and business of the Seller's creditors and the amount owing to each, and requests that a list thereof be furnished to him or his nominee on or before the 18th day of August 1928.

6. It is hereby agreed that the purchase contemplated by said exercised option, as herein modified, will be exercised for and on behalf of the Buyer by his nominee, The Grand Union Company.

7. The five days' notice in writing of delivery date provided for in said option is hereby waived, August 25, 1928, having been herein agreed upon as such delivery date.

The said option of July 2, 1928, given by the Seller to the Buyer and so exercised is in full force and effect except as herein modified.

MINNESOTA TEA COMPANY,
By E. C. PETERSON, *President and*
A. F. PETERSON, *Secretary.*
O. B. WESTPHAL [SEAL]

32 *Exhibit "E"*

A duly called meeting of the Stockholders of Minnesota Tea Company was held at its office and principal place of business at Duluth, Minnesota, on the 23rd day of August 1928, at 10 o'clock in the forenoon.

E. C. Peterson, L. T. Peterson, and A. F. Peterson constituting all the Stockholders of said Company were present at the meeting. E. C. Peterson, the President of the Company, presided at the meeting and A. F. Peterson, the Secretary of the Company, acted as Secretary thereof.

Upon motion duly made and seconded and unanimously carried, the following resolution was adopted:

Resolved that the written option dated July 2, 1928, given by this Company, signed by its President and Secretary, to O. B. Westphal, and the modification agreement made by this Company and signed in its name by its President and Secretary and by said O. B.

Westphal, dated July 24th, 1928, be and are in all respects ratified, confirmed, and approved, and the actions of the officers of the Company in executing and delivering said option and modification are ratified, confirmed, and approved.

Resolved further, that the President or Vice President and Secretary of this company be and they are hereby authorized and directed to execute and deliver to The Grand Union Company, a Delaware corporation, bill of sale and instrument transferring the property covered by said option as modified and covering the agreements therein provided for, and they are hereby authorized and directed to execute and deliver the bill of sale, conveyance, and agreement with The Grand Union Company now presented to this meeting, and that in closing said matter they are authorized to make any changes in form or substance of said instruments that they may deem advisable in carrying out the general plan and purpose of said option to said O. B. Westphal as so modified, which has been assumed by said The Grand Union Company, and they are authorized and directed to execute and deliver any other instruments in general carrying out the purpose and intent of said option to said O. B. Westphal as so modified, and their action taken in this regard is approved and confirmed.

33 There being no further business to come before the meeting, the meeting adjourned.

(Signed) E. C. PETERSON,
President.

Attest:

(Signed) A. F. PETERSON,
Secretary.

Exhibit "F"

Minutes of the Special Meeting of the Stockholders of Minnesota Tea Company Held June 18, 1928, at Ten O'Clock in the Forenoon at the Office of the Company, 2021 West Superior Street, Duluth, Minn.

Pursuant to a call of the President of the Company, a special meeting of the Stockholders of the corporation was held at the office of the Company, 2021 West Superior Street, in the City of Duluth, Minnesota, at ten o'clock in the forenoon, on June 18th, 1928, after all the Stockholders in writing mutually agreed and consented to such special meeting required by the Statutes of Minnesota, and the By-Laws of the Company.

All the Stockholders were present during the meeting and participated in the same.

E. C. Peterson presided and A. F. Peterson acted as Secretary at the meeting.

The President reported to the meeting that it was advisable to bring about a corporate reorganization by the formation of a new corporation under the laws of Minnesota, to which Minnesota Tea Company should transfer all life insurance owned by it and all its

real estate and the buildings thereon and all the unexpired fire insurance on such buildings and the corporate stock of Hotel Duluth Company held by Minnesota Tea Company, all in consideration of corporate stock of such corporation to be organized in an amount approximately equal to the book value of the property so transferred, less all the incumbrances thereon, to be assumed and paid by the new corporation and transferee, such corporate stock in the new corporation to be immediately assigned and distributed to the Stockholders of Minnesota Tea Company ratably and in proportion
34 to their respective stock holdings of the stock of Minnesota Tea Company and without the surrender by such Stockholders of any of their stock in Minnesota Tea Company.

After a discussion of such plan of corporate reorganization by the meeting for the purpose of carrying out such plan the following written resolution was read and its adoption was moved, seconded, and unanimously carried and adopted by a vote of all the stockholders:

"Resolved, that a corporation shall be organized under the laws and statutes of the State of Minnesota to be named 'Peterson Investment Company' with a capital stock of two hundred thousand dollars.

"Resolved further, that after the incorporation of Peterson Investment Company all the life insurance of Minnesota Tea Company and all its real estate, including all buildings, and all unexpired fire insurance on such buildings and the corporate stock of Hotel Duluth Company held by Minnesota Tea Company be transferred to Peterson Investment Company in consideration of corporate stock of Peterson Investment Company to be issued to Minnesota Tea Company in an amount approximately equal to the book value of the property so transferred, less all incumbrances thereon, which are to be assumed by Peterson Investment Company, such stock to be immediately distributed to the respective stockholders of Minnesota Tea Company ratably and in proportion to their respective stock holdings in Minnesota Tea Company.

"Resolved further, that the Board of Directors be and are hereby authorized and directed to forthwith proceed to take all necessary steps for the speedy incorporation of Peterson Investment Company with an authorized capital stock of two hundred thousand dollars with corporate powers to own, acquire, buy, sell, and deal in personal and real property of every nature and description and to invest its property and the proceeds therefrom in other property, including stocks, bonds, and other securities, and to do anything incidental, necessary, or profitable in carrying on such business and with all other corporate powers which the Board of Directors, or such person to whom the Board of Directors may entrust such incorporation, after consultation with legal counsel, may deem advisable for the purposes of such corporate powers and business.

"Resolved further, that after the incorporation of Peterson Investment Company the Board of Directors of Minnesota

Tea Company proceed with all expediency to transfer as
35 aforesaid all the said property of Minnesota Tea Company to Peterson Investment Company for corporate stock of Peterson Investment Company in amount equal to approximately the book value of said property so transferred less the amount of the incumbrances thereon, to be issued to Minnesota Tea Company, and then immediately assign and transfer and distribute all such stock to the respective stockholders of Minnesota Tea Company ratably and in proportion to their respective stock holdings in Minnesota Tea Company without the surrender by such stockholders of any of their stock in Minnesota Tea Company."

It was then moved, seconded, and carried that the written consent of the stockholders to the holding of the special meeting and of the waiver of all notice of the holding thereof and the written resolution adopted at the meeting be copied into the minutes of the meeting and the original written consent and the original written resolution adopted be filed with the files and the records of the company.

The said written consent and waiver were in words as follows:

We, the undersigned, being all the stockholders of Minnesota Tea Company, do hereby mutually consent to the holding of a special meeting of Minnesota Tea Company and its stockholders at the office of the corporation, 2021 West Superior Street, in the city of Duluth, Minnesota, on June 18th, 1928, at ten o'clock in the forenoon, for any purpose that may affect the corporation and its business, so called by the president, and we waive all and any notice of such meeting required by the status of the State of Minnesota or by the by-laws of the corporation.

Dated June 18th, 1928.

(Signed) E. C. PETERSON.
L. T. PETERSON.
A. F. PETERSON.

On motion the meeting then adjourned.

(Signed) A. F. PETERSON,
Secretary.

Attest:

(Signed) E. C. PETERSON,
President.

The undersigned stockholders of Minnesota Tea Company hereby certify to the correctness of the above minutes.

(Signed) E. C. PETERSON.
L. T. PETERSON.
A. F. PETERSON.

36 *Bill of sale, Minnesota Tea Company to The Grand Union Company*

Know All Men By These Presents That Minnesota Tea Company, a Minnesota corporation, first party, in consideration of the sum of One Dollar ($1.00) and other valuable considerations (the exact

consideration to be determined and paid in accordance with an option agreement made by Minnesota Tea Company and O. B. Westphal, dated July 2, 1928, as modified by supplemental agreement dated July 24, 1928, between said tea company and said Westphal), does hereby grant, bargain, sell, and convey unto The Grand Union Company, a corporation of the State of Deleware, second party, its successors and assigns, forever, the following-described goods, chattels, and personal property, to-wit:

All assets of every kind and description owned by first party upon the 4th day of August 1928, excepting real estate, buildings, fixtures, cash, and the interest of first party in any insurance policies on the lives of any and all of its officers and excepting insurance on buildings and fixtures which it may have owned on August 4th, 1928, but including the good will and all trade marks and trade names and the right to use the name of "Minnesota Tea Company," and including all automobiles and all machinery and instrumentalities heretofore used in its business, even though such machinery and instrumentalities may be attached to the buildings, and including all bills, notes and accounts receivable of every description owned by the first party on August 4th, 1928, whether considered doubtful or not, and including all moneys deposited in the bank account heretofore opened in the name of "Minnesota Tea Company Special Account" as provided in said agreement of July 24, 1928, and including all assets of which first party was in possession on August 4th, 1928, through purchase or agreement of purchase, even though the technical legal title might not have passed to it, other than the above excepted items, and including all property of whatsoever kind or description which the first party owns at the date of this instrument.

An inventory of the merchandise, certified under the name of first party by its president, which is covered by this bill of sale is hereto attached and made a part hereof, and a summary of the accounts and bills receivable covered by this bill of sale is also hereto attached and made a part hereof, and a list of the automobiles and trucks covered by this bill of sale is also hereto attached and made a
37 part hereof; but the fact that said specific lists of merchandise, accounts and bills receivable and automobiles is attached shall not be deemed to exclude any of said items that may have been omitted from said lists, the intention hereof being to include all of the property above described as covered by this bill of sale, whether specifically mentioned in said lists or not.

To Have and To Hold unto the second party, its successors and assigns, Forever. And the first party, for itself and its successors, does covenant and agree to and with the second party, its successors and assigns, to warrant and defend the sale of said goods, chattels, and personal property and the rights hereby conveyed, unto the second party, its successors and assigns, against all and every person and persons whomsoever, lawfully claiming or to claim the same or any lien or interest therein or right thereto, and covenants that all of said property is free from any encumbrance.

And the first party further covenants that it has not disposed of any of its assets or collected any accounts receivable, other than in the normal conduct of its business, since July 2, 1928, and that in case it is owing any amounts on any of the property covered by this bill of sale then it shall pay and discharge such amounts, it being understood and agreed that any bills incurred since August 4, 1928, for any purchase of merchandise or expense of running the business are to be absorbed by the second party, it being the understanding and agreement that the said business has been operated for the account of the second party since August 4, 1928, to and including the delivery date hereof as of August 25, 1928. First party further agrees, for the considerations aforesaid, immediately to change its name to a name satisfactory to second party and that it will not hereafter engage in the Wagon Route tea and coffee business in any part of the United States, and for the considerations aforesaid first party further agrees that it will not, for a period of one year from August 25, 1928, dispose of any of the voting trust certificates to be received by it, other than to its stockholders, and that if it disposes of any of the same to any of its stockholders it will cause them, at the time of the acquisition, to enter into an agreement with second party that for such period they will not sell or dispose of any of the same to be acquired by them.

38 In Witness Whereof first party has caused this instrument to be executed, in its corporate name, by its proper officers and its corporate seal to be hereunto affixed, this 23rd day of August 1928.

MINNESOTA TEA COMPANY,
By E. C. PETERSON, *President.*
And A. F. PETERSON, *Secretary.*

Signed, Sealed, and Delivered in Presence of:
W. D. BAILEY,
S. H. ECKMAN.

STATE OF MINNESOTA,
County of St. Louis, ss:

On this 23rd day of August 1928, before me, a Notary Public within and for said County, personally appeared E. C. Peterson and A. F. Peterson, to me personally known, who, being by me duly sworn, did say that they are respectively the President and the Secretary of Minnesota Tea Company, the corporation named in the foregoing instrument, that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said E. C. Peterson and A. F. Peterson acknowledged said instrument to be the free act and deed of said corporation.

EDITH SUNDHOLM,
Notary Public.

St. Louis County, Minn.
My commission expires Sept. 16, 1931.

Full Detailed Inventory of Each Article of Merchandise to be Included in the Sale of Assets From Minnesota Tea Company to the Grand Union Company. Required by Section 8473 of the Statutes of the State of Minnesota, Relating to Bulk Sales.

DULUTH, MINNESOTA,
August 17, 1928.

THE GRAND UNION COMPANY;
c/o Messrs. Washburn, Bailey & Mitchell,
1200 Alworth Bldg., Duluth, Minnesota.

GENTLEMEN:

The undersigned, Minnesota Tea Company, the Seller of certain assets in a sale to be consummated with you as the
39 buyer, hereby submits a full detailed inventory of each article of merchandise to be included in such sale, showing the quantity, and so far as possible with the exercise of reasonable diligence, the cost price to the undersigned of such articles of merchandise. In connection with the full detailed inventory hereby submitted, the undersigned, the seller in the sale, desires to state that all quantities are based upon a physical inventory taken Saturday, August 4th, 1928, is being impracticable and almost impossible to complete another inventory of each article of merchandise to be covered by said sale, prior to the consummation thereof.

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PRODUCTS			
Green Coffee			
Santos, Bourbon	121,800 lbs.	23.75¢	$28,951.00
Maracaibo	11,750 "	26.38	3,099.65
Mexican	27,570 "	29.14	8,033.90
Bogata, Medelin Excels	43,592 "	28.47	12,410.64
Roasted Coffee			
Packaged			
No. 1, Ground	78 lbs.	33.32	25.21
Do. Whole	21 "	33.32	6.78
No. 2, Ground	269 "	31.44	116.01
Do. Whole	44 "	31.44	13.83
No. 3, Ground	6,100 "	30.82	1,880.02
Do. Whole	2,106 "	30.82	649.07
No. 4, Ground	534 "	28.53	152.35
Do. Whole	246 "	28.53	70.18
Mintes, Ground	2,993 "	31.47	941.89
Do. Whole	596 "	31.47	187.56
Hotel Special, Ground	430 "	31.77	136.61
Hotel Special and Combination, Ground	549 "	30.15	165.52
Blackstone, Ground	57 "	32.06	18.27
Do. Whole	3 "	32.06	.96

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PRODUCTS—Continued			
Roasted Coffee—Continued			
Bulk			
No. 1, Ground	3 lbs.	32.32¢	$0.97
Do. Whole	211 "	32.32	68.19
No. 2, Ground	19 "	31.44	5.98
Do. Whole	156 "	31.44	49.04
No. 3, Ground	278 "	30.32	84.13
Do. Whole	319 "	30.32	96.71
No. 4, Ground	478 "	28.53	136.37
Do. Whole	246 "	28.53	70.19
40 Hotel Special, Ground	207 "	31.77	65.76
Hotel Special and Combination, Ground	55 "	30.15	16.58
Blackstone, Ground	97 "	32.06	31.10
Tea			
Bulk			
Orange pekoe #200	100 lbs.	52.00	52.00
Do. #300	50 "	57.00	28.50
Japan #400	53 "	24.5	12.98
Do. #600	37 "	37.5	13.87
Ceylon #25	183 "	24.5	44.83
Do. #100	292 "	43.5	127.02
Gunpowder #700	262 "	40.5	106.11
English breakfast #4	30 "	24.5	7.35
Japan tea siftings	32 "	10	3.20
Tea Bags			
Orange Pekoe	20,250 only		102.44
Japan	21,250 "		51.54
Packaged			
Orange pekoe, 13—1# #200	13 lbs.	52.00	6.76
Japan, 2—½# #400	1 "	24.5	.25
Do. 27—1# #400	27 "	24.5	6.61
Do. 38—½# #500	19 "	40.5	7.70
Do. 1,779—1# #500	1,779 "	40.5	720.49
Do. 339—1# #600	339 "	43.5	103.34
Ceylon, 70—½# #25	35 "	24.5	8.57
Do. 86—1# #25	86 "	24.5	21.06
Do. 2—½# #100	1 "	43.5	.44
Do. 1,217—1# #100	1,217 "	43.5	529.39
Gunpowder 4—½# #700	2 "	43.5	.87
Do. 15—1# #700	15 "	43.5	6.52
Oolong, 2—½#	1 "	42.5	.43
English breakfast 1—1#	1 "	24.5	.24
Lipton, 23—1#	23 "	42.5	9.77
Japan tea siftings, 1—1#	1 "	10	.10
Bulk products			
Peanuts	5,862 lbs.	12.00	703.44
Rice	5,946 "	5.62	334.21
Cocoa	990 "	14	138.60
Cocoanut shredded	226 "	22.5	50.11
Sago	178 "	6.5	11.57
Tapioca	325 "	6.5	21.13
Farina	348 "	4.75	16.53
Barley	14 "	4	.56

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PRODUCTS—Continued			
Foodstuffs			
Rice	447 lbs.	3.62½	$16.18
Oats	996 "	11.2	111.55
Cream of wheat	20 "	4.75	.95
Sago	4 "	6.5	.26
Tapioca	8 "	6.5	.52
Farina	22 "	4.75	1.05
Barley	18 "	4.00	.72
Macaroni 8 oz.	3,792 pkg.	5.5	208.56
Spaghetti 8 oz.	7,060 "	5.5	389.40
Noodles 4 oz.	3,336 "	5.5	183.48
Corn flakes 13 oz.	1,548 "	9.3	143.96
Potato flour 1#	707 "	10	70.70
Catsup, pint 14 oz.	21 btl.	10.6	2.23
Do. gal.	75 "	61.5	40.12
Salt, 10# sack	333 sacks	14.6	48.62
Iodized salt 3# pkg.	835 pkg.	8.2	51.77
Peanut butter 16 oz.	757 jars	10	75.70
Salty crackers 4½# pkg.	321 pkg.	63	202.23
Do. 2½# "	199 "	25	66.15
Graham crackers 2# "	216 "	32	69.12
Ginger snaps 3# "	96 "	50	48.00
Cream toast 5# "	95 "	70	66.50
Cinnamon toast 5# "	338 "	70	236.60
Codfish	28 cans	23	6.44
Sardines	2,942 tins	8	235.36
Mince meat	367 jars	30	110.10
Tomatoes	6,128 cans	15	919.20
Corn	3,564 "	11.2	399.17
Peas	1,936 "	13.3	257.49
Salad mustard	429 jars	9.3	39.90
Horse-radish mustard	538 "	9.3	50.03
Baking powder 1#	890 cans	9.1	80.99
Do. 5#	31 "	52	16.12
Cocoa 1#	241 jar	14	33.74
Bitter chocolate ½#	533 bars	28	149.24
Sweet chocolate	268 "	29	78.01
Cocoanut	35 lbs.	23.5	8.23
Postum	187 can	17	31.79
Instant postum 8 oz.	78 "	34.5	26.22
Baking soda 1#	948 "	6	56.88
Marshmallow cream 10 oz.	447 "	11.4	50.96
Whole			
Pepper 3 oz.	144 can	10.00	14.40
Allspice 3 oz.	241 "	5	12.05
Cinnamon 3 oz.	1 "	4.8	.06
Cloves 3 oz.	148 "	8	11.68
Do. 8 oz.	3 "	20	.60
Nutmeg 3 oz.	2 "	42	.84
Cardamon seed 1 oz.	25 "	7	1.75
Do. 3 oz.	82 "	20	16.40
42 Caraway seed 3 oz.	275 "	5.6	15.40
Anise seed 3 oz.	92 "	7.5	6.90
Fennel seed 3 oz.	101 "	5.8	5.86
Stick cinnamon 3 oz.	191 "	8.5	16.41
Pickling, mixed 3 oz.	111 "	8	8.88
Do. 8 oz.	8 "	15	1.20

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PRODUCTS—Continued			
Extracts			
Vanilla 4 oz.	1,059 btls.	13.70¢	$145.08
Do 8 oz.	829 "	21.2	175.75
Do 16 oz.	178 "	40.8	72.62
Lemon 2 oz.	220 "	17.5	38.50
Do 4 oz.	288 "	28.3	81.50
Do 8 oz.	87 "	47.5	41.32
Do 16 oz.	32 "	84.5	27.04
Do 32 oz.	12 "	162.5	19.50
Almond 2 oz.	136 "	10.8	14.69
Do 4 oz.	59 "	20	11.80
Do 16 oz.	2 "	38	.76
Wintergreen 2 oz.	37 "	17.5	6.47
Raspberry 2 oz.	108 "	17.5	18.90
Orange 2 oz.	25 "	17.5	4.37
Pineapple 2 oz.	56 "	17.5	9.80
Banana 2 oz.	117 "	17.5	20.47
Strawberry 2 oz.	87 "	17.5	15.22
Maple 2 oz.	19 "	17.5	3.32
Rose 2 oz.	6 "	17.5	1.05
Peppermint 2 oz.	32 "	17.5	5.60
Spices			
Ground			
Pepper 3 oz.	520 can	10.00	52.00
Do 8 oz.	383 "	29.7	113.75
Do 16 oz.	24 "	57	13.68
Allspice 3 oz.	207 "	7.5	15.53
Do 8 oz.	104 "	16.6	17.26
Do 16 oz.	52 "	31.6	16.43
Cinnamon 3 oz.	212 "	7.1	15.05
Do 8 oz.	260 "	17.1	44.46
White pepper 3 oz.	305 "	16.6	50.63
Do 8 oz.	111 "	41	45.51
Do 16 oz.	7 "	79.6	5.57
Cloves 3 oz.	194 "	8.4	16.30
Do 8 oz.	98 "	20.4	19.99
Do 16 oz.	27 "	39	10.53
Mustard 3 oz.	230 "	8.5	19.55
Do 8 oz.	105 "	18.3	19.22
Do 16 oz.	30 "	31.4	9.42
Ginger 3 oz.	103 "	7.7	7.93
Do 8 oz.	81 "	19	15.39
Do 16 oz.	23 "	35.5	8.16
43 Nutmeg 3 oz.	200 "	10.7	21.40
Do 8 oz.	142 "	26.5	37.63
Do 16 oz.	20 "	46.8	9.36
Cayenne pepper 3 oz.	38 "	8.	3.04
Do 8 oz.	23 "	19.4	4.46
Jamaica ginger 3 oz.	49 "	8.2	4.02
Do 8 oz.	2 "	20.	.40
Do 16 oz.	3 "	38.5	1.15
Cream of tartar 1¼ oz.	17 "	4.6	.78
Do 8 oz.	5 "	21.1	1.05
Thyme A 3 oz.	100 "	6.7	6.70
Paprika 3 oz.	173 "	8.6	14.88
Do 8 oz.	2 "	20.4	.41
Sage 3 oz.	309 "	5.7	17.61

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PRODUCTS—Continued			
Spices—Continued			
Ground—Continued			
Mace 1 oz.	135 "	9.7¢	$13.09
Celery salt 1¼ oz.	102 "	5.9	6.02
Saffron 1/32 oz.	94 "	10.4	9.77
Curry powder 1 oz.	29 "	5.9	1.71
Poultry seasoning 2 oz.	48 "	4.5	2.16
Corn starch 1#	909 can	7.00	63.63
Hard tack	94 pkg.	15.	14.10
Pectin	14 "	22.	3.08
Figs 2#	1,271 "	52.	660.92
Peanuts	50 lbs.	12.	6.00
Olives	525 jar	49.	257.25
Jello	1,000 pkg.	6.	60.00
Trujell	1,700 "	22.	374.00
Root beer 3 oz.	170 btl.	5.8	9.86
Prunes 2#	413 pkg.	17.5	72.28
Do. Pansy 48#	93 box	420.	390.60
Do. Santa Claus 10#	278 "	92.5	257.15
Jams			
Strawberry	1,369 jar	71.00	971.99
Raspberry	367 "	71.	260.57
Plum	124 "	71.	88.04
Cherry	889 "	80.1	712.09
Peach	4 "	74.1	2.96
Grape	77 "	63.3	48.74
Apricot	48 "	74.1	35.57
Pineapple	1 "	67.6	.68
Custard Powders			
Cream	357 pkg.	17.90	63.90
Lemon	361 "	17.9	64.62
Butterscotch	363 "	17.9	64.98
Chocolate	353 "	17.9	63.18
Summer Drinks			
Nectar Wild cherry	806 btl.	23.00	185.38
Do. Grape	280 "	23.	80.80
Do. Raspberry	438 "	23.	100.74
" Do. Strawberry	357 "	23.	82.11
Do. Punch	39 "	25.	9.75
Candy			
Tinshell	345 can	52.00	179.40
Black Walnut puffs	3 "	80.	2.40
Toilet Soaps, Etc.			
Vegetable	1,334 bar	3.90	57.03
Complexion	2,073 "	3.6	74.62
Sweet sixteen	7,105 "	3.6	255.78
John D	1,009 can	18.7	188.68
Verion	1,304 bar	3.6	46.94
Koko	43 "	3.6	1.51
Green	12 "	3.6	.43
Olive	12 "	4.2	.50
Castile	338 "	2.2	7.43

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
Products—Continued			
Toilet Soaps, Etc.—Continued			
Tar	671 bar	3.66	$24.15
Pumice	294 "	3.4	9.99
Tooth paste	343 tube	10.	34.30
Bath powder	5 copt.	10.	.50
Lotion	1,212 btl.	20.	242.40
Do.	6 "	30.	1.80
Castilla shampoo	2,142 "	16.6	355.37
Toilet water	36 "	25.	9.00
Bath talcum	141 can	12.	16.93
Soaps and Cleansers			
Wool	11,196 cake	3.50	391.86
Washing	16,230 "	3.5	568.05
Soap chips	1,748 box	20.	349.60
Kao ammonia compound	90 "	9.5	8.55
Lavo dry ammonia	579 can	4.6	26.63
Cyclone cleanser	69 "	36.	24.84
Steel wool	1,584 box	12.6	199.58
Swift cleanser	95 can	26.5	25.17
No-soot-o	324 "	8.3	26.89
Blusing	187 btl.	5.3	9.91
Laundry starch	720 pkg.	6.5	46.80
Electric starch	156 "	8.3	12.98
Washing powder	3,343 "	12.5	417.877
Scouring powder	4,659 "	3.5	163.0
Washing tablets	216 "	7.	15.12
Zolgon	1 btl.	30.	.30
Syrups			
Honeymoon	64 pail	43.30	27.71
Maple and cane	61 can	70.	42.70
Malt	56 "	37.5	21.00
Sundry			
Silver cream polish	199 can	14.30	28.45
Pinol sewing machine oil	153 can	9.4	14.38
Metal glaze	132 can	25.	33.00
Cedar oil	109 btl.	16.9	18.09
Wondoro furniture polish	1,031 "	12.5	128.87
Ointment	1,422 "	13.8	197.02
Jar rings	2,997 box	3.1	92.85
Matches	2,393 "	3.1	76.13
Wax paper	873 roll	10.8	94.30
Do. holder	37 only	7.8	2.10
Coffee urn	238 "	5.	11.90
Do.	404 "	6.	24.27
Goff's Tonic	4,932 btl.	30.1	1,482.90
Surlax	92 box	10.	9.20
Toilet paper, crepe	879 roll	6.5	44.07
Do. Mayflower	3,158 "	7.6	242.06
Premiums			
Modesta Bird—D-3080-M			
Cups	456	$0.22	100.32
Saucers	464	.22	102.08
6" plate (B. B.)	209	.18	37.62
5" " (Tea)	188	.20	44.83
7" " (Bkfst)	170	.38	64.60

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Modesta Bird—D-2580-M—Continued			
8" plate (Dinner)	272	$0.44	$119.68
Sauce scallop dish (Salad)	1	1.16	1.16
Covered Butter dish	1	.90	.90
Sugar Bowl	12	.98	11.76
Creamer	10	.58	5.80
Milk jug (Pitcher)	1	1.04	1.04
Coupe soup plates	253	.38	96.14
Celery dish	11	1.28	14.08
8" salads (salad)	24	1.16	27.84
Soup bowl	1	.38	.38
Pitcher	5	1.04	5.20
Oat meal dish	12	.24	2.88
7" baker	10	.82	8.20
8" "	21	1.11	23.31
Pickle dish	6	.42	2.52
Gravy f. s.	8	1.20	9.60
10" platter	24	1.18	28.32
12" "	7	1.44	10.08
14" "	6	2.10	12.60
Cake plate	18	.86	15.48
Chop plate	12	1.34	16.08
Covered Casserole	1	2.45	2.45
46 4" fruit	318	.17	54.06
5" "	83	.17	14.11
5404—Bavarian—#8			
Cups	360	.15	54.00
Saucers	406	.15	60.90
4" plates	109	.15	16.35
6" "	254	.20	50.80
7" "	98	.26	25.48
8" "	163	.32	52.16
Covered butter dish	4	.64	2.56
Sugar bowl	14	.54	7.56
Creamer	14	.30	4.20
Coupe soup plate	350	.26	91.00
Rim soup plate	1	.26	.26
Oatmeal	112	.19	21.28
Covered dish	4	1.82	7.28
Covered casserole	5	1.82	9.10
Pickle dish	13	.41	5.33
Sauce bowl f. s.	17	1.09	18.53
10" Platter	11	.73	8.03
12" Platter	13	1.19	15.47
14" Platter	8	1.66	13.28
4" Fruit	118	.14	16.52
8" Nappie (Baker)	1	.77	.77
7" Salad	11	.48	5.28
8" Salad	12	.52	6.24
Tea Pot	1	1.17	1.17
Cake Dish	2	.49	.98
8" Bakers	13	.77	10.01
#0 Servia			
Cups	1,143	.16	182.88
Saucers	1,029	.16	164.64
4" Plate	57	.16	9.12
5" Plate	12	.16	1.92

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
#9 Servis—Continued			
6" Plate	30	$0.24	$9.36
7" Plate	3	.30	.90
8" Plate	1	.36	.36
Creamer	1	.55	.55
Camp. Soups	1	.30	.30
Oatmeal	1	.20	.20
4" Fruit	33	.12	3.96
Covered casserole	1	2.38	2.38
7" Nappie	1	.48	.48
6" Baker	1	.40	.40
8" Baker	2	.71	1.42
Bowl—regular	2	.40	.80
8" Platter	3	.48	1.44
10" Platter	3	.71	2.03
12" Platter	1	1.19	1.19
#0429 Bavarian			
Cups	59	.28	16.52
Saucers	56	.28	15.68
4" Plate	57	.21	11.97
5" Plate	45	.26	11.96
6" Plate	5	.36	1.80
8" Plate	27	.45	12.15
Cake	1	.90	.90
8" Scallop	1	1.04	1.04
7" Scallop	1	.81	.81
Sugar bowls	2	1.65	3.30
Covered dish	1	3.70	3.70
Bowl	1	.63	.63
Creamer	1	.95	.95
Sauce bowl f. s. round	2	1.80	3.60
Chop plate	5	1.80	9.40
#0429—Bavarian			
Covered butter dish	1	1.75	1.75
Fruit dish	61	.31	12.81
Pickle dish	3	.63	1.89
Round covered casserole	1	3.70	3.70
Sauce bowl f. s. (oval)	1	3.30	3.30
Coupe soups	1	.30	.30
Oatmeal	23	.26	5.98
9" Platter	5	1.04	5.20
10" Platter	4	1.23	4.92
12" Platter	4	1.56	6.24
6" Plates	13	.36	4.32
7" Baker	1	1.23	1.23
Vegetable dish (baker)	2	1.23	2.46
Oyster bowls	3	.63	1.89
Soups	6	.56	3.36
7" Nappies	4	.81	3.24
9" Nappies	1	1.04	1.04
#709—Bavarian #7			
Cups	25	.26	6.50
Saucers	16	.26	4.16
4" Plate	26	.20	5.20
6" Plate	3	.29	.87

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
8709—Bavarian #7—Continued			
6" Plate	1	$0.42	$0.42
4" Fruits	45	.19	8.55
7" Baker	2	.81	1.62
8" Baker	1	.90	.90
Coupe soup	1	.38	.38
10" Platter	1	1.00	1.00
12" Platter	5	1.75	8.75
Oatmeal dishes	2	.24	.48
Individual butter dishes	5	.12	.60
Covered butter dish	3	1.23	3.69
48 Gloria 27 G			
Cups	44	.11	4.84
Saucers	45	.11	4.95
Covered butter	2	.86	1.72
Pickle dish	2	.29	.58
Bowl	1	.20	.20
Creamer	6	.27	1.62
Sugar bowl	6	.58	3.48
4" Plates	45	.10	4.50
Gloria 27 G			
5" Plates	43	.11	4.73
6" Plates	24	.13	3.12
7" Plates	39	.17	6.63
Gravy f. s.	3	.86	2.58
Oyster bowl	1	.20	.20
8" Platter	6	.24	1.44
10" Platter	3	.43	1.29
12" Platter	3	.72	2.16
Covered casserole	1	1.15	1.15
7" Baker	5	.29	1.45
8" Baker	2	.43	.86
Soup bowl	1	.16	.16
4" Fruits	37	.07	2.59
5" Fruits	17	.15	2.55
Oatmeal	1	.13	.13
Coupe soups	11	.16	1.76
Gloria #548			
Cups	184	.09	14.76
Saucers	153	.09	13.95
Butter dishes—covered	1	.68	.68
Gravy f. s.	2	.68	1.36
Covered casserole	1	.90	.90
4" Plates	53	.08	4.24
5" Plates	68	.09	6.12
6" Plates	32	.10	3.20
7" Plates	137	.13	17.81
8" Dish	5	.19	.95
10" Dish	1	.34	.34
12" Dish	3	.56	1.68
4" Fruits	75	.06	4.50
5" Fruits	14	.12	1.68
Sugar bowl	10	.45	4.50
Creamer	14	.21	2.94
Pickle dish	3	.23	.69
7" Nappie	1	.23	.23

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
Premium—Continued			
Gloria #145—Continued			
8" Nappie	3	$0.34	$1.02
Baker	1	.34	.34
Oatmeal dish	8	.12	.96
Coup soup plate	30	.12	3.60
Bowl	2	.15	.30
60 Lafayette Pattern—Nautaka Japanese			
Cups	20	.25	5.00
Saucers	26	.26	6.76
Lafayette Pattern—Nautaka Japanese			
4" Plates	1	.20	.20
5" Plates	18	.37	6.66
6" Plates	3	.45	1.35
7" Plates	13	.50	6.50
10" Dish	1	1.63	1.63
12" Dish	1	2.34	2.34
14" Dish	2	3.40	6.80
Soup plate	1	.46	.46
Gravy l. s	1	1.63	1.63
Sugar bowl	1	.90	.90
Creamer	1	.67	.67
Covered butter dish	1	1.55	1.55
Oval baker	1	1.30	1.30
Oval covered dish	1	3.75	3.75
6" Fruits	27	.29	7.83
5" Fruits	5	.32	1.60
Coupe soups	23	.46	10.58
9" Plates	34	.53	17.08
Field English Ivory Set #14			
Cups	31	.15	4.96
Saucers	43	.15	6.45
4" Plate	51	.15	8.15
5" "	67	.19	12.05
6" "	19	.24	4.56
7" "	36	.30	11.40
8" "	33	.36	11.88
8" Nappie	3	.40	1.20
7" "	1	.40	.40
9" "	3	.71	2.13
7" Baker	3	.40	1.61
8" "	4	.71	2.85
8" Dish	1	.40	.40
12" "	1	.71	.71
12" "	6	1.19	7.14
Pickle dish	2	.48	.96
Tea-pot	1	1.35	1.35
Covered Casserole	3	2.38	7.14
6" Fruit	61	.12	7.32
Soup Bowl	1	.30	.30
Oyster Bowl	3	.40	1.19
Oat Meal Dish	1	.30	.30
Sauce Bowl l. s	3	1.38	3.15
Covered Butter Dish	3	1.43	2.86
Coup Soup	24	.30	23.70
4" Nappie	1	.40	.40

	Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
	PREMIUMS—Continued			
80	K 2013 Pattern #11			
	Cups	47	$0.59	$4.29
	Saucers	67	.09	6.03
	6" plates	81	.08	6.48
	8" "	107	.09	9.63
	7" "	118	.14	16.52
	6" fruits	239	.06	14.34
	8" "	51	.13	6.63
	Coupe soups	161	.13	20.93
	Covered casserole	3	.92	2.46
	Gravy	24	.32	7.68
	7" nappie	6	.24	1.44
	9" dish	8	.30	1.90
	10" "	4	.36	1.44
	12" "	5	.59	2.95
	Creamer	1	.24	.24
	Sugar bowl	3	.48	1.44
	Covered dish—oval	13	.90	11.40
	7" baker	2	.36	.72
	9" "	5	.36	1.80
	Covered butter dish	4	.71	2.84
	Pickle dish	5	.24	1.20
	7" Nappie	5	.24	1.20
	9" "	2	.36	.72
	Thin oyster bowl	32	.18	6.30
	East Lake #8			
	Cups	40	.17	6.80
	Saucers	41	.17	6.97
	6" plates	22	.19	4.19
	8" plates	26	.21	5.46
	9" plates	32	.25	8.00
	7" "	39	.31	12.09
	9" "	112	.40	44.80
	6" fruit	67	.13	8.71
	8" "	30	.31	9.39
	Pitcher	1	.87	.87
	Sauce bowl f. s.	3	1.67	5.01
	Sugar bowl	2	1.00	2.00
	Covered dish	1	2.50	2.50
	Pickle dish	1	.50	.50
	8" platter	3	.50	1.50
	12" "	3	.75	2.25
	7" baker	4	.42	1.68
	8" "	2	.50	1.00
	9" "	1	.75	.75
	7" nappie	2	.50	1.00
	8" "	5	.75	3.75
	Oyster bowl	1	.42	.42
	Pickle dish	2	.50	1.00
	Coupe soup	9	.31	2.79
	6" nappie	1	.42	.42
81	Individual butter dishes	6	.60	.36
	Milk jug	1	.87	.87
	Oat meal	1	.21	.21
	Creamer	2	.69	1.38
	Regular bowl	1	.42	.42

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
#61808—Pattern #6			
Cups	13	$0.16	$1.92
Saucers	57	.16	9.12
4" plates	40	.13	5.20
6" "	12	.18	2.16
7" "	4	.23	.92
4" fruits	3	.09	.27
Oatmeal	219	.25	54.75
Coupe soup	43	.26	11.18
8" dish	14	.32	4.48
9" baker	1	.58	.58
Sugar bowl	1	.80	.80
Creamer	1	.36	.36
Covered butter dish	4	1.31	5.24
7" nappie	6	.40	2.40
8" nappie	8	.66	5.28
12" dish	3	1.09	2.18
Regular bowl	27	.37	9.99
K 3715 M—Pattern #10			
6" nappie	6	.31	1.86
7" "	2	.38	.76
Oatmeal dish	1	.20	.20
Coupe soup	68	.21	14.28
Covered dish	2	1.56	3.12
" casserole	2	1.75	3.50
Sauce bowl f. s.	2	1.43	2.86
Sugar bowl	1	1.10	1.10
Creamer	2	.88	1.76
7" Baker	8	.39	3.12
9" "	1	.56	.56
Covered Butter Dish	1	1.22	1.22
Pickle Dish	2	.56	1.12
#K 4502 Pattern #12 (gold band)			
Cups	63	.18	11.34
Saucers	112	.18	20.16
Covered Casserole	4	1.85	7.40
" Dish	7	1.85	12.95
4" Plate	131	.16	24.16
5" "	41	.18	7.38
6" "	196	.21	41.61
7" "	99	.27	26.73
9" "	89	.33	19.47
Sauce Bowl f. s.	10	1.39	13.90
52 Coupe Soups	363	.25	65.75
Oatmeal Dish	97	.24	23.28
Creamer	4	.46	1.48
Sugar Bowl	3	.93	2.79
4" Fruit	56	.12	6.72
5" "	64	.14	8.96
6" Nappie	1	.30	.30
7" "	16	.46	7.36
Heavy Bowl	1	.39	.39
Thin Oyster Bowl	17	.31	5.27
9" Dish	10	.30	3.00
10" "	8	.70	5.60
12" "	3	1.16	3.48

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
#K 4202 Pattern #12 (gold band)—Continued			
7" Baker	11	$0.47	$5.17
8" "	*13	.70	9.10
Bone Dish (CB #4)	6	.25	1.50
Soups " "	124	.29	35.96
Jam Jar	1	1.00	1.00
Bon Bon Dish	1	1.80	1.80
" " "	1	1.42	1.42
" " "	1	.92	.92
" " "	1	2.06	2.06
Dish	2	2.00	4.00
Pickle Dish (#4 CB)	18	.50	9.00
Syrup Set	1	1.25	1.25
Regular Bowl #4 CB	20	.41	8.20
Covered Butter #12	(5	1.39	6.95
Cellars (pairs)	1 pair	.83	.83
" "	1 "	.27	.27
9" Nappie	8	.79	6.32
#67926 Bluebird #2			
Cups	6	.11	.66
Saucers	10	.11	1.10
4" Plates	289	.09	26.01
6" "	1	.13	.13
7" "	*55	.14	8.80
4" Fruits	24	.07	1.68
5" "	155	.08	12.40
Pickle Dish	13	.28	3.64
Sugar Bowl	1	.86	.86
Creamer	1	.38	.38
Oatmeal	1	.16	.16
7" Nappie	17	.28	4.76
8" "	27	.42	9.24
Sauce Bowl f. s.	5	.38	1.90
Regular Bowl	23	.23	5.29
Pitcher	7	.47	3.29
Coupe Soups	33	.18	5.60
53 E—4915 Pattern #3			
Cups	181	.13	23.53
Saucers	61	.13	7.93
4" Plate	52	.11	5.72
5" "	180	.13	23.40
6" "	32	.16	5.12
7" "	227	.20	45.40
Covered Butter Dish	3	1.01	3.03
Sugar Bowl	2	.68	1.36
Creamer	2	.34	.68
Coupe Soup plate	81	.18	14.58
Oyster Bowl	19	.25	4.75
Regular "	19	.36	6.84
7" "	22	.68	14.52
Fruit Dish	1	.09	.09
Oatmeal Dish	1	.16	.16
Covered "	1	1.18	1.18
" Casserole	4	1.35	5.40
Pickle Dish	5	.34	1.70
Gravy f. s.	5	1.01	5.05
8" platter	9	.26	2.32

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
E—4015 Pattern #3—Continued			
10" Platter	7	$0.51	$3.57
12" "	3	.85	2.55
6" Nappie	1	.28	.28
7" "	1	.34	.34
9" "	1	.51	.51
7" Baker	9	.34	3.06
9" "	5	.51	2.55
Radium White #1			
Cups (light)	678	.06	34.24
" (heavy)	106	.08	8.42
Saucers (light)	387	.06	20.06
" (heavy)	15	.08	1.20
Coup Soups	145	.11	15.95
Oatmeal Dishes	7	.10	.70
Soup Plates	1	.11	.11
Oyster Bowl	56	.13	7.28
Large Bowl	6	.14	.84
Pickle Dish	64	.19	12.16
7" Nappie	71	.20	14.20
8" "	1	.30	.30
9" "	1	.40	.40
7" Baker	22	.30	6.60
8" "	5	.30	1.50
4" Fruit	472	.05	23.60
5" "	307	.06	18.42
Pitcher	7	.23	1.61
Sauce Bowl	1	.27	.27
12" Dish	9	.41	3.69
Milk Jugs	3	.23	.69
Sugar Bowl	13	.40	5.20
Creamer	10	.30	3.00
4" Plate	338	.06	20.28
5" "	287	.08	22.96
6" "	98	.09	8.82
7" "	555	.12	66.60
Radium White #1			
Gravy Pitcher	19	.27	5.13
8" Platter	15	.17	2.55
10" "	24	.30	7.20
Crooksville China Company H19			
Cups	279	.08	22.32
Saucers	321	.08	25.68
Sauce Bowl f. s.	8	.60	4.80
Sugar Bowl	11	.60	6.60
Creamer	12	.31	3.72
4" Fruit	106	.05	5.30
Oat	62	.06	3.72
7" Baker	1	.31	.31
8" "	4	.30	1.20
4" Plates	269	.07	17.23
5" "	98	.08	7.60
6" "	142	.09	12.78
7" Plates	62	.12	7.50
Covered Butter Dish	3	.64	1.92

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Crooksville China Company H19—Continued			
7" Nappie	18	$0.21	$3.78
6" "	11	.33	3.63
Coup Soups	25	.11	2.75
51 pc. dinner set	2 sets	2.97 (set)	5.94
Covered Casserole	2	.85	1.70
Pickle Dish	6	.21	1.26
8" Platter	24	.18	4.32
10" "	12	.32	3.84
12" "	11	.50	5.50
Regular Bowl	3	.18	.54
Oatmeal	1	.06	.06
Crooksville China Company H19 Con.			
Soup Bowl	1	.11	.11
Covered Vegetable Dish	1	.85	.85
K 3715M Pattern #10			
Cups	171	.18	30.78
Saucers	158	.18	28.44
4" Plate	61	.13	7.93
5" "	21	.14	2.94
6" "	25	.17	4.75
7" "	47	.22	10.34
8" "	1	.27	.27
9" Dish	2	.31	.62
55 10" dish	2	.56	1.12
12" "	2	.94	1.88
4" Fruits	46	.10	4.60
5" "	83	.11	9.13
Oyster Bowl	13	.27	3.51
Regular "	4	.32	1.28
Hand-painted Japanese Ware			
Cups	260	.17	44.20
Saucers	309	.17	52.53
Plates	19	.75	14.25
"	28	1.17	32.76
"	2	.50	1.00
Plates 6"	49	.40	19.60
" "	7	.25	1.75
" "	15	.40	6.00
" "	5	.53	2.65
Salad Plates	114	.53	60.42
Pitchers	3	2.33	6.99
Dish	11	1.00	11.00
"	6	1.50	9.00
"	3	2.00	6.00
Pitcher (lemon squeezer missing)	1	.46	.46
Cake Plates	8	.67	5.36
4" Fruits	47	.20	9.40
Luncheon Plates	71	.50	35.50
Bowls	19	1.25	23.75
"	16	1.08	17.28
"	13	1.00	13.00
"	13	.83	10.79
"	16	1.33	21.28
"	3	2.00	6.00

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Hand-painted Japanese Ware—Continued			
Dishes	3	$3.58	$10.74
"	1	1.92	1.92
"	2	1.42	2.84
Bavarian #1230			
Cups	1,327	.12	159.24
Saucers	1,309	.12	157.08
Lunch Plates	1,263	.23	290.49
D-2551 Japan			
Cups	328	.15	49.20
Saucers	330	.15	49.50
9" Plates	144	.30	43.20
Bavarian Lunch Set			
Cups	15	.10	1.50
Saucers	16	.10	1.60
56 Plates	18	.19	3.42
Sugar	3	.58	1.74
Creamer	3	.40	1.20
Tea-pot	3	1.32	3.96
Japan Blue Wreath (Cheap Mdse.)			
Cups	35	.09	3.15
Saucers	43	.09	3.87
4" Plates	6	.17	1.02
4" Fruits	6	.17	1.02
Japan (check border)			
Cups	215	.13	27.95
Saucers	255	.13	33.15
German 666			
Cups	142	.10	14.20
Saucers	169	.10	16.90
Violet Design			
Cups	114	.13	14.82
Saucers	226	.13	29.38
Lunch Plates	132	.25	33.00
Japanese Blue Design			
Cups	181	.09	16.29
Saucers	196	.09	17.64
Plates	63	.17	10.71
#4 Gold and White			
Saucers	4	.18	.72
4" Plates	42	.16	6.72
5" "	7	.18	1.26
4" Fruits	29	.12	3.48
5" "	48	.14	6.72

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
661/21			
Cups	180	$0.13	$23.40
Saucers	179	.13	23.27
Sugar	1	.33	.33
Creamer	1	.33	.33
Tea-pot	3	.83	1.66
4100/1320			
Cups	539	.10	53.90
Saucers	569	.10	56.90
97 Haviland			
Plates	3	.83	2.49
Soups	6	.67	4.02
Fruits	4	.75	3.00
Pie Plates	6	.83	3.13
Gold Band Design			
Plates	7	.17	1.19
"	1	.30	.30
"	7	.83	5.81
Bowls	1	.27	.27
"	1	.30	.30
"	2	.75	1.50
Platter	7	.50	3.50
Saucers	5	.12	.60
#15—#36			
Cups	2	.10	.20
Saucers	37	.10	3.70
Chinaware Dept. Con. 11/100/143			
Cups	551	.10	55.10
Saucers	553	.10	55.30
11/100/34			
Cups	342	.10	34.20
Saucers	366	.10	36.60
1042/415			
Cups	1,155	.10	115.50
Saucers	945	.10	94.50
1390/1401			
Cups	411	.10	41.10
Saucers	381	.10	38.10
2/2/72 (Jap)			
Cups	218	.17	37.06
Saucers	224	.17	38.08
#6/204			
Cups and saucers	11	.20	2.20
Cups #143	146	.10	14.60
Saucers #143	4,010	.10	101.00
Cups #11/100/50	1,023	.10	102.30
Saucers #11/100/50	203	.10	20.30
Cups #30	20	.10	2.00
M Saucers #30	6	.10	.60
Cups #204/0410	80	.10	8.00
Saucers #204/0410	101	.10	10.10

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Lustre Ware			
Tea set	1	$16.67	$16.67
Cake plate	1	2.08	2.08
Mayonnaise set	1	2.08	2.08
Bowl	1	2.08	2.08
Cream pitcher	2	1.42	2.84
Dish with handle	1	1.25	1.25
Vase	1	1.25	1.25
Mayonnaise sets	2	2.08	4.16
Cellars (pair)	1 pair	.83	.83
Dish	1	1.25	1.25
Tea pot	1	.25	.25
" "	4	.58	2.32
" "	4	.83	3.32
" "	1	1.42	1.42
" "	2	3.33	6.66
" "	2	3.75	7.50
" "	2	1.08	2.16
" "	1	1.25	1.25
" "	1	1.00	1.00
" "	1	1.17	1.17
" " (Top)	4	.83	3.32
Coffee pot	1	.75	.75
" "	1	.92	.92
" "	1	1.08	1.08
" "	2	1.17	2.34
" "	1	1.25	1.25
" "	1	2.92	2.92
Cups	1	.17	.17
"	10	.10	1.00
"	2	.23	.46
"	1	.17	.17
"	1	.09	.09
" plain white china	168	.08	13.44
" water	6	.53	3.18
Saucers "	8	.27	2.16
" plain white china	220	.08	17.60
"	2	.08	.16
"	10	.07	.70
"	1	.06	.06
Plates—6"	6	2.08	12.48
" Jap lunch	53	.83	43.16
" Cookie	1	1.58	1.58
"	1	2.25	2.25
"	1	2.08	2.08
"	8	.07	1.76
"	5	.53	2.65
" Cake	4	1.42	4.68
50 Jam jar	1	1.25	1.25
" dish	2	2.08	4.16
Sugar pails	3	1.00	3.00
Bon bon dish	2	2.00	4.00
" " "	4	1.50	6.00
" " "	1	1.42	1.42
" " "	1	1.25	1.25
" " "	1	.73	.73
Salt, pepper, mustard set	1	2.08	2.08
Individual salts	6	1.08	6.48
Cellars	1 pr.	.27	.27

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Lustre Ware—Continued			
Mayonnaise set	2	$1.25	$2.50
Sugar	1	.47	.47
"	1	1.05	1.05
" and creamer	1	1.67	1.67
Pickle dish	1	1.25	1.25
" "	1	1.42	1.42
" "	2	1.00	2.00
Relish dish	1	1.42	1.42
Crumb scraper	1	1.08	1.08
Candlesticks	1 pr.	3.08	3.08
Refrigerator dishes	22	.27	5.94
Nut set (1 large, 4 small bowls)	1	2.25	2.25
Tea set	1 set	16.67	16.67
" "	1 "	3.08	3.08
Berry "	1 "	2.33	2.33
Dinner " 42-pc	9 "	5.92	53.28
" " 32-pc	35 "	3.05	261.80
" " 31-pc	14 "	2.97	41.58
Rose tea set (1 cup short)	1 "	2.08	1.99
Tea "	1 "	8.33	8.33
Console "	4 "	2.08	8.32
Bridge "	1 "	.92	.92
" "	1 "	2.17	2.17
Cake "	2 "	3.08	6.16
Sauce "	1 "	3.08	3.08
Tea "	1 "	4.58	4.58
" "	2 "	3.33	6.66
" " (1 set has one cup short)	2 "	3.75	7.34
" "	1 "	6.67	6.67
" " green	1 "	2.08	2.08
Cup and tray sets	12 "	.75	9.00
Dish	1	1.25	1.25
"	1	2.00	2.00
" celery	1	3.67	3.67
" "	1	3.58	3.58
Sauce bowl with only 5 dishes	1	3.08	2.82
Casserole stand and cover	1	3.75	3.75
Custard cups (Wabash Bak.)	8 bbls.		156.00
Gold trimmed bowl	1	4.17	4.17
Fruit bowl	2	1.25	2.50
Sandwich tray	1	1.42	1.42
Fancy dishes	2	1.83	3.66
60 Creamer and sugar	2	2.08	4.16
Cream pitcher	2	.58	1.16
" "	1	.50	.50
Green plates	5	.50	2.50
Sandwich trays	3	1.42	4.26
Fancy dishes	3	.75	2.25
" "	1	.80	.80
" bowls	2	1.00	2.00
Vegetable dish	1	2.50	2.50
Powder puff and hair receiver set	2	.47	.94
Sample sets (1 cup, 1 saucer, 1 plate)	5	.46	2.30
Refill dish	1	.67	.67

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Broken lots			
Cups	3	$0.05	$0.15
Saucers	6	.06	.36
Plates	6	.12	.72
Sugar bowl	1	.40	.40
Cream pitcher	1	.39	.39
Tea pot	1	.65	.65
Sugar bowl	1	.80	.80
Cream pitcher	1	.66	.66
Tea pot	1	1.45	1.45
Cups and saucers	5	.18	.90
Plates	5	.16	.80
Tea pot	1	.77	.77
Sugar bowl	1	.42	.42
Cups and saucers	5	.18	.90
Plates	6	.15	.90
Sugar bowl	1	.42	.42
Cups and saucers	3	.43	1.29
Plates	6	.43	2.58
Creamer	7	1.14	1.14
Tea pot	1	2.89	2.89
Cups and saucers	6	.25	1.50
" " "	1	.25	.25
Plates	6	.25	1.50
"	2	.33	.66
Soups	10	.27	2.70
Fruits	11	.13	1.56
Sugar bowl	2	.63	1.26
Syrup set	1	1.68	1.68
Salad 4"	7	.40	2.80
" 6"	2	.40	.80
238 F			
Cups	777	.10	77.70
Saucers	771	.10	77.10
61 Glassware			
Water Glass	3	.25	1.52
" "	1	.33	.33
" "	1	.83	.83
" "	52	.66	2.86
" "	4	.07	.28
" " cracked	4	.08	.12
" "	1	.13	.13
" "	1	.30	.30
" "	1 set	4.17	4.17
" " crinkle	108	.05	5.40
" " plain	79	.05	3.95
" " grape design	68	.07	4.67
" " ribber	9	.13	1.17
" " daisy design	119	.25	28.75
" " Kleber Kut Krystal	54	.66	2.70
Sherberts green	13	.17	2.66
"	1	.17	.17
"	13	.27	3.51
"	3	.29	.87
"	1	.30	.30
"	1	.34	.34
"	30	.43	12.90

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Glassware—Continued			
Sherbets green	31	$0.39	$12.09
" plain	58	.65	1.80
" bird pattern (high stem)	14	.43½	5.95
" wreath pattern (low stem)	78	.39	30.64
" blue stem	4	.50	2.00
" iridescent	17	.30	4.90
" wreath design	3	.26	.78
" green stem	23	.50	11.50
" umber	22	.17	3.74
Wine	60	.43	25.80
"	16	.27	4.86
"	155	.26	13.30
" plain	6	.10	.60
Tumblers large	5	.12	.60
" medium	6	.12	.72
62 Tumblers small	3	.12	.36
" "	11	.12	1.32
" " plain #17	301	.12	34.12
Goblet	12	.50	6.00
"	8	.34	2.72
"	3	.42	1.26
"	1	.30	.30
"	1	.17	.17
"	1	.25	.25
" iridescent	76	.29	22.04
" amber	19	.17	3.23
" plain	30	.55	1.50
" Fostoria rose	30	.38	11.40
" bird pattern	12	.43½	5.10
" blue stem	6	.50	3.00
" green stem	8	.50	4.00
Champagne saucers-Fostoria rose	7	.58	4.06
Dish	2	1.67	3.34
"	4	.63	2.52
" cake	8	2.25	18.00
" relish	67	1.00	67.00
" " green	3	.67	2.01
" butter	1	2.50	2.50
" celery	4	2.33	9.32
" "	4	1.67	6.68
" jelly	1	2.25	2.25
" gold band	3	2.42	7.26
" black and gold	1	1.25	1.25
" pickle	1	1.83	1.83
" candy	1	2.08	2.08
" "	1	1.25	1.25
" "	1	2.67	2.67
" gravy	1	.13	.13
Sugar and creamer	3	1.75	5.50
" " "	3	.33	2.49
" " "	1	3.67	3.67
" " "	1	3.33	3.33
Sugar pail	5	1.00	5.00
Vase-blue	5	1.88	9.10
"	33	1.00	33.00
"	1	.30	.30
"	9	.75	6.75

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued	1		
Glassware—Continued			
Vases-blue amber	8	$2.08	$16.64
" "	5	1.25	6.25
" flower	2	.67	1.34
"	3	.75	2.25
" black and gold	2	3.33	6.66
Vase black and gold	2	4.17	8.34
" green and gold	2	1.50	3.00
" " " "	1	1.08	1.08
" " " "	2	.83	1.66
83 " o. l	3	.75	2.25
" I. V	3	1.83	5.49
" M. G	6	.50	3.00
" H. N	11	.67	7.37
"	2	2.08	4.16
" flat	4	1.00	4.00
Plates—6" Pat #10	31	.27	8.37
" 6" " #10	9	.17	1.53
" 5" " #10	3	.14	.42
" 7" " # 3	6	.20	1.20
"	11	.50	5.50
" and bowl	1	2.40	2.40
"	2	1.00	2.00
" green	2	.50	1.00
" yellow	1	.25	.25
" glass mirror	2	1.00	2.00
" " "	1	2.00	2.00
"	1	2.90	2.90
"	1	3.33	3.33
"	181	.15	27.15
" rose	60	.15	9.00
" " cake	9	.50	4.50
"	1	.50	.50
" sponge cake	1	.80	.80
Mayonnaise sets	5	1.30	6.50
Salts—individual	8½ doz.	.90	7.65
"	100	1.10	110.00
" and peppers	2 sets	2.90	5.80
" individual	30	.90	27.00
"	9	.75	6.75
"	2	1.00	2.00
"	2	.25	.50
Candleholders	3 pr.	.33	.99
"	2	1.20	2.40
"	1	1.00	1.00
"	2	3.00	6.00
"	1	.80	.80
" blue	1	1.60	1.60
Water bottles	2	1.05	2.10
" "	2	.80	1.60
Vinegar	4	2.75	11.00
"	14	1.30	18.20
"	1	2.45	2.45
Cups and saucers:			
amber	2	.16	.32
rose	60	.15	9.00

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Glassware—Continued			
Mirror	2	$6.25	$12.50
"	1	5.65	5.65
"	20	3.00	60.00
Mirror	2	5.00	10.00
"	2	2.00	4.00
"	17	.90	15.30
"	8	1.50	12.00
64 "	4	1.00	4.00
" white enamel	3	.57	1.71
Teeth pick holders	24	1.20	28.80
" " "	1	.75	.75
" " "	1	.50	.50
" " "	1	.28	.28
Sets—Kiefers Kut:			
" Krystal	24 sets	.75	18.00
" Console	2 sets	2.00	4.00
" "	4 sets	3.00	12.00
" water	6 sets	4.05	24.30
" "	1 set	9.00	9.00
" "	2 sets	10.75	21.50
" "	1 set	4.85	4.85
" "	2 sets	6.50	13.00
" syrup	1 set	2.35	2.35
" 17 pc. rosebridge	6 sets	2.00	12.00
" water set (1 pitcher 6 glasses)	16 sets	1.60	25.60
" water set (glasses only)	2 sets	.80	1.60
" (crinkal)	5 sets	1.60	8.00
" water set	1 set	.75	.75
" " "	1 set	.57	.57
" bowls	1 set	.75	.75
" "	1 set	1.13	1.13
" "	1 set	.65	.65
" "	1 set	.40	.40
" "	1 set	.30	.30
" bridge sherbets	14 sets	2.10	29.40
" " goblet	11 sets	.90	9.90
" water set C. & C.	1 set	4.00	4.00
" ash tray	1 set	2.40	2.40
" " "	1 set	1.95	1.95
" water-amber	1 set	1.60	1.60
Cookie plate glass	1	.50	.50
Bowls—pat #3	1	.40	.40
"	2	.65	1.30
" amber	1	4.10	4.10
" "	2	1.20	2.40
" fruit	3	1.20	3.60
" green and silver	1	1.20	1.20
"	1	1.60	1.60
"	1	2.40	2.40
"	1	2.00	2.00
" fruit	1	1.50	1.50
Bowls	1	3.25	3.25
" C. G.	1	2.40	2.40
" " "	2	3.25	6.50
" candy	1	2.40	2.40
" C. G.	1	5.35	5.35

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Glassware—Continued			
Bowls—Continued.	5	$1.35	$6.75
65 Fruits	20	.40	8.00
Match holders	1	3.95	3.95
Pitcher—water	3	1.30	3.90
" syrup	1	.40	.40
" "	1	1.10	1.10
" with glass inset	1	.90	.90
" water	1	1.10	1.10
Basket-gold glass	1	.90	.90
"	2	.65	1.30
"	1	2.60	2.60
Compotes	6	1.85	11.10
"	4	2.40	9.60
"	4	2.26	9.00
"	1	1.80	1.80
"	5	2.45	12.25
Platters 12"	5	1.85	9.25
" 10"	1	10.50	10.50
"	1	2.40	2.40
"	1	1.60	1.60
"	8	3.25	25.60
" 14"	1	1.10	1.10
Frame	3	2.25	6.75
Salad dressing bowl	1	1.95	1.95
Candy jar	1	1.85	1.85
" "	1	2.40	2.40
" "	2	1.60	3.20
Mustard	1	.80	.80
"	5	3.65	18.25
Casserole	39	3.15	122.85
" #1801	23	3.65	83.95
" #1803 oval	1	3.25	3.25
"	1	2.60	2.60
" and stand (overman)	1	3.65	3.65
" oval	105	3.75	393.75
" (1254) (stand only)	1	1.15	1.15
Cake cover	1	.80	.80
Nappies	4	1.20	4.80
"	3	1.25	1.25
"	1	1.45	1.45
Perfume bottle	1	1.60	1.60
" "	1	1.80	1.80
" "	1	1.30	1.30
" "	15	1.00	15.00
Tube cake pans #562	8	.50	4.00
Loaf-glass bake	2	3.25	6.50
Glass set trays	1	.75	.75
Syrup jug ½	1	1.25	1.25
" "	3	4.00	12.00
60 Water pitcher	10	.09	.90
Creamer-rose	44	.40	17.60
"	10	.09	.90
Sugar-rose	52	.40	20.80
"	60	.10	6.00
Plates rose			

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Patrician			
Knives and forks	2	$12.00	$24.00
Table spoons	18	.75	13.50
Olive spoons	3	1.09	3.27
Butter knife	1	.75	.75
Berry spoon	1	1.80	1.80
Jelly servers	4	.94	3.76
Sugar spoons	4	.75	3.00
Cream ladle	1	1.35	1.35
Cold meat fork	1	1.50	1.50
Dessert spoons	6	.75	4.50
Tea spoons	6	.38	2.28
13 pc. sets	2 sets	12.00	24.00
42 pc. dinner set	1	5.92	5.92
Sets	2	11.63	23.26
Grosvenor			
Set of 6 knives and forks	1	9.83	9.83
Dinner knives	1 set	12.00	12.00
Tablespoons	12	.75	9.00
Tomato server	1	2.10	2.10
Berry spoons	3	1.80	5.40
Butter knife	3	.75	2.25
Table spoons	6	.75	4.50
Dessert spoons	6	.75	4.50
Pickle forks	3	.90	2.70
Round server	1	2.10	2.10
Teaspoons	18	.38	6.84
Olive spoon	1	1.09	1.09
Gravy ladles	2	1.80	3.60
Individual butter spreaders	12	.65	7.80
Salad forks	6	.73	4.38
Dinner forks and knives, set of 6	1	12.00	12.00
Cream ladle	1	1.35	1.35
Adam			
Set of 6 knives and forks	1	12.00	12.00
Salad forks	6	.73	4.38
47 Fruit knives	6	.77	4.62
Butter spreaders	6	.65	3.90
Dessert spoons	24	.75	14.00
Teaspoons	6	.38	2.28
Round server	1	2.10	2.10
Cake server	1	1.80	1.80
Olive spoon	1	1.09	1.09
Berry spoon	1	1.80	1.80
Bird of Paradise			
Tablespoons	6	.75	4.50
Dessert spoons	6	.75	4.50
Teaspoons Com	24	.38	9.12
" Roger Sov	42	.20	8.40
" Roger Hen	42	.13	5.46
" Roger Hen	15	.13	1.95
" 6 in box	74 boxes	.27	19.98
" 6 in box	1 set	1.07	1.07

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Bird of Paradise—Continued			
Tablespoons Com	6	$0.75	$4.50
" "	12	.75	9.00
" Ardsley	6	.33	1.98
" Sov. Rog	24	.40	9.60
" Cor	96	.27	25.92
Serving spoon	1	.70	.70
Tablespoons Sov	6	.40	2.40
" Cor. Dessert spoons	6	.27	1.62
"	4	.27	1.08
Knives and forks:			
" Com	5 sets	12.00	60.00
" Rog	2 sets	4.33	8.66
"	4 sets	7.90	31.60
"	8 sets	6.85	54.80
"	6 sets	3.53	21.18
" Ardsley	1 set	3.75	3.75
Butter knife sets:			
" Com	2 sets	4.17	8.34
" Ardsley	1 only	.47	.47
" "	12 sets	1.83	21.96
" "	4 sets	.33	1.32
" "	4 only	.83	3.32
" "	9 sets	3.58	32.22
" Individual	1 set	1.83	1.83
Cold meat fork	11	1.42	15.62
	2	1.58	3.16
	1	1.20	1.20
	1	3.25	3.25
	2	.67	1.34
Carving knives	27	.75	20.25
" set	1 set	5.97	5.97
Sugar shell	7 only	.83	5.81
	2	.33	.66
	1	1.25	1.25
68	3	.92	2.76
	3	.75	2.25
	1	.33	.33
Pickle fork	3	.92	2.76
" "	2	.50	1.00
Gravy ladle	3	1.25	3.75
	1	1.33	1.33
	6	.75	4.50
	1	1.58	1.58
Tomato server	3	1.87	5.61
	2	1.00	2.00
	3	.97	2.91
Berry spoon	5	2.00	10.00
" "	4	.75	3.00
Fruit knife sets	24	.75	18.00
Household set	1	2.50	2.50
Baby cups	4	.83	3.32
Baby spoon	1	.30	.30
Baby set	1	.75	.75
Trays	10	1.08	10.80
Crumb scrapers	10	1.08	10.80
" "	1	.92	.92
Sets-Ardsley	32	4.22	135.04

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Bird of Paradise—Continued			
Sets-salesmen's samples (Ardsley)	22	$4.22	$92.84
Sets (Ardsley) Short 8 knives	1	4.22	4.22
" " " 6 forks	1	4.22	4.22
Sets (Ardsley) Short teaspoons, knives, and forks	34	.41	13.94
Salts and peppers	52	.10	5.20
" " " (Obsolete)	4	1.30	5.20
Salts and peppers	34	2.92	70.08
" " "	201	.13	26.13
Tea balls	40 sets	.27	10.80
Soup spoons, set of 3	1 set	5.00	5.00
Set (incomplete) Dessert spoon (6)	12 only	.40	4.80
Sav. Rog	126 only	.27	34.02
(6) Cor. Rog	126 only	.27	34.02
(6) " "	5 only	.27	1.35
	3 only	.13	.39
	1 set	2.06	2.06
Salad fork, Rog	30 only	.39	11.70
Sav	12 only	.73	8.76
Com	6 only	.36	2.16
Rog. Cor	6 only	.36	2.16
"	5 only	.94	4.70
Jelly server	1 only	.50	.50
60 Picture frame	75 sets	.58	43.50
Knife sets	8 "	.67	5.36
Butter and sugar	1 set	.75	.75
	2	.97	1.94
Cucumber server	4	1.83	7.32
Pie server	3	.50	1.50
Pickle fork	1 set	2.50	2.50
Cutlery set (2 knives missing)	4	1.09	4.36
Olive spoon Com	1 set	4.15	4.15
Bouillon spoon	6 only	.38	2.28
Coffee spoons Com	1 set	1.65	1.65
Oyster spoons	1 "	1.50	1.50
Orange spoon	1 only	1.83	1.83
Cake knife	3 sets	.67	2.01
Child's knife, fork, and spoon	9 sets	.75	6.75
Child's sets	75	2.25	168.75
Pearl strings			
Kitchen-Ware			
Kettle	2	1.66	3.16
"	1	1.33	1.33
"	2	1.00	2.00
" tea	1	2.50	2.50
" "	1	1.25	1.25
" "	1	3.33	3.33
" "	1	3.42	3.42
" "	1	2.50	2.50
" "	1	1.67	1.67
" Cast iron	1	2.33	2.33
" blue granite	1	1.50	1.50
" gray (without covers)	144	.22	31.68
" enameled tea 5 qt	1	1.67	1.67
" granite with cover 8 qt	1	1.42	1.42

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Kitchen-Ware—Continued			
Kettle Windsor with cover 6 qt	300		$700.00
" (4 qt. bak. powder)	55	80.23	13.20
" wh. granite preserving (no cover)	125	.39	51.97
" granite 10 qt.	2	.39	.78
" Berlin wh. granite #0121	11	1.80	19.80
" Water wh. enamel #680	5	2.14	10.70
" " " " #676-60z	8	1.50	12.00
" Berlin 10 qt. #6361 wh. enamel green label	2	1.54	3.08
Kettle Berlin 8 qt. white enamel green label	2	1.40	2.80
20 Kettle Berlin 8 qt. Savory ware	6	1.40	8.40
" Berlin 6 qt. Savory ware	9	1.14	10.26
" Berlin 4 qt. Savory ware	8	.88	7.04
" "	1	.75	.75
" "	2	1.25	2.50
Kettles—granite 4 qt	1	.88	.88
"	1	1.80	1.80
"	1	1.83	1.83
Sauce pan—qt.—2	1	1.00	1.00
" "	2	.82	1.64
" " granite blue	3	.27	.81
" " Lifetime sets #242	83	2.68	222.44
" " do (used)	1	2.68	2.68
" " Triple set	1	5.52	5.52
" " " "	6	5.52	33.12
" " steel enamel (Ranton)	1,632	.11	179.52
" " wh. en. #8	1	.11	.11
Roaster—granite	2	1.67	3.34
" "	1	2.08	2.08
" "	27	.35	9.45
" blue enamel #106	324	.35	113.40
" Savory—large	13	2.67	34.71
" Royal blue	10	1.08	10.80
" meat	1	1.08	1.08
Toaster elec	101	2.97	299.97
"	19	2.97	56.43
"	3	1.88	5.64
"	7	.70	4.90
Bread box	6	1.80	8.00
" "	4	2.20	8.80
" "	2	3.27	6.54
" " #1	19	1.50	28.50
" " #2	31	2.20	68.20
" " #3	4	3.27	13.08
Pans—dish	1	.27	.27
" " oval	1	.67	.67
" "	1	.92	.92
" "	1	1.00	1.00
" "	1	1.08	1.08
" " 10 qt	795	.20	159.00
" " 14 " wh. en	7	1.14	7.98
" " " " gr	2	1.14	2.28
" " 17 " wh. en	5	1.30	6.50
" " 17 " gr	1	1.30	1.30
Pie dish	2	.17	.34
Pudding	5	.36	1.80
"	5	.90	1.80
"	8	.30	2.40

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Kitchen-Ware—Continued			
Broiling	1	$1.00	$1.00
	2	.25	.50
	4	.65	2.60
71 Sponge-cake	2	.62	1.24
" "	2	.73	1.46
Cake	2	.49	.98
"	1	.33	.33
Stew (prunes)	59	.11	6.49
bl. gr.	39	.20	7.80
Custard (pans)	12	.23	2.76
Frying (bak. pdr.)	1	.20	.20
Coffee Mill	2	.90	1.80
" " lap	6	.82	4.92
" " crystal	17	.90	15.30
Mixing bowl—bl. gr. #20	553	.15	84.45
" " " gr. #24	484	.17	82.28
" " " gr. #28	552	.21	115.92
" " earthen ware	9	.30	2.70
" " " "	15	.42	6.30
" " " "	27	.67	18.09
" " " "	5	1.17	5.85
" " nuts	6	.75	4.50
" " al	220	.16	62.24
" " (bak. pdr.)	2	.21	.42
Coffee Pot—Old English	2	.87	1.74
" " Savory 1 qt	5	.86	4.30
" " " 1½ qt	4	.92	3.68
" " " 2 "	9	1.14	10.26
" " " 3 " #2351	19	1.24	23.56
" " " gr. label 1 qt	2	.86	1.72
" " " 1½ qt	1	.92	.92
" " " 2 qt	5	1	5.30
" " inset	1	1	.15
Cake covers	37	1	32.95
" Stand	1	1.25	1.25
Tea fruit dishes	6	.15	1.92
Strainers (with TruJells)	360	.10	36.00
sink	1	1.35	1.35
Bread raiser	1	1.39	1.39
" "	1	1.73	1.73
" Mixer	1	2.05	2.05
" "	1	2.70	2.70
Percolator—elec	25	5.45	136.25
" "	4	5.45	21.80
" " damaged	1	4.50	4.50
" "	1	2.80	2.80
" "	2	1.75	3.50
" "	5	1.15	5.75
" "	1	.92	.92
" "	1	.90	.90
" "	2	.75	1.50
" "	1	.70	.70
" "	3	.58	1.74
" insets	36	.18	6.48
" handles	38	.13	4.88
72 " " small	9	.13	1.08
" top	59	.02	1.18
Paring knives	1000	.04½	45.00
" " —acme #138 spl	284	.04½	11.88

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Kitchen-Ware—Continued			
Pail—gr. water	1	$1.50	$1.50
" "	1	1.13	1.13
" "	2	1.08	2.16
" " 14 qt. wh. en	3	1.50	4.50
" " 12 qt. wh. en	7	1.30	9.10
Flour bins	1	1.13	1.13
7 pc. Kitchen spice set	1	.65	.65
3 pc. carving set	1	1.50	1.50
Pie frames	17	2.00	34.00
Household sets	65	2.50	162.50
Food chopper	1	1.14	1.14
" "	3	1.41	4.23
" "	1	1.97	1.97
" " #20	16	1.14	18.24
" " #30	50	1.41	70.50
" " #40	22	1.97	41.14
Knife sharpener 2nd hand	1	.70	.70
Sugar cans	5	.55	2.75
Can openers Bunker Clancy	170	.29	49.30
Wash basin	2	.50	1.00
" "	1	1.00	1.00
" " wh. gr.	5	.50	2.50
" " tub galv. #330	20	1.16	23.20
" " "	2	1.16	2.32
Boilers #4859	7	3.62	25.34
Wash boilers #2239	2	2.37	4.74
" " TP 359	2	4.62	9.24
Drain boards	4	.60	2.40
Tea kettles—colonial #106	6	3.06	18.36
Drip pan—bl. gr.	1	.23	.23
Scales—#3000 C	22	1.00	22.00
Sanitary sink baskets	51	1.35	68.85
Kitchen knife set	1	.58	.58
French fryers	157	.80	125.60
Pitcher—gr.	1	1.00	1.00
Dipper	7	.30	2.10
Egg beater	1	.30	.30
" Poacher	1	1.25	1.25
Popcorn popper	42	.75	31.50
Lunch kit	1	1.71	1.71
" boxes	2	1.90	3.80
Pancake griddle	1	1.50	1.50
Butter churn	1	1.25	1.25
" "	2	.75	1.50
" "	1	5.65	5.65
Egg beater—sunlite	22	.63	31.87
Stainless steel sets	1	.75	1.00
Potato pot	1	1.80	1.80
" ricer	11	.25	2.75
73 Soup boiler #2341	1	2.25	2.25
" " #0141	1	1.50	1.50
Rice boiler	1	1.19	1.19
" "	1	1.34	1.34
" " wh. gr. #541	8	1.70	13.60
" " " " #631	4	1.40	5.60
" " gray gr. "	9	1.40	12.60
Bowl sets (3 to set)	2	.40	.80

Articles of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Kitchen-Ware—Continued			
Waffle iron	7	$8.00	$16.90
" "	9	5.00	45.00
" " elec	12	4.00	48.00
" "	1	3.00	3.00
Toasters	33	1.87½	61.88
" gas	3	1.45	4.35
" stove	4	1.25	5.00
Ice cream freezer 1 gal	1	3.40	3.40
Small skillet (bak. pdr.)	452	.20	90.40
Glass butter jars "	12	.20	2.40
Console set	1	3.00	3.00
Thermos 1 pt	3	1.10	3.30
" 1 qt	4	1.51	6.04
" 1 gal	2	1.50	3.00
" jug	1	1.50	1.50
" top	11	.35	3.85
" "	1	.35	.35
Vacuum bottles 1 pt. #21	31	1.10	34.10
Vacuum bottles 1 qt. #32	2	1.51	3.02
" " fillers 1 pt	71	.65	46.15
" " 1 qt	3	1.06	3.18
Ley. hot fillers #65 qt. filler	8	1.00	8.00
" " " bottle #28 pt. bottle	17	1.10	18.70
" " " #25 pt. filler	21	.65	13.65
Alladdin Thumalware jar	47	1.50	70.50
Shino cloths	229	.26	59.54
Silver cleanser elec	94	.24	22.56
Wash boiler	2	2.37	4.74
Waterless cookers			
American	123	2.00	244.00
" (used)	1	1.00	1.00
" (demon)	11	1.00	11.00
"	58	2.45	142.10
"	30	2.45	73.50
" (used)	1	1.22	1.22
" (demo)	1	1.22	1.22
" (incomplete)	1	1.22	1.22
"	1	4.00	4.00
" Insets	9	.62	5.58
Insets	1	.28	.28
" Bases	21	.40	8.40
"	136	.62	84.32
Bases	6	.40	2.40
Kettle-tea-with inset 6¼ qt	23	2.27	52.21
" "	1	1.25	1.25
74 " " cast alum. 9 qt	1	3.42	3.42
" #133-12 qt	6	1.74	10.44
" #130-10 "	13	1.56	20.28
" #129- 8 "	13	1.35	17.55
" #126- 6 "	6	1.14	6.84
" #124- 4 "	12	.96	11.52
"	2	1.50	3.00
"	4	1.06	4.22
" #9006	5	.83	4.15
" #244	3	1.08	3.24
"	30	.18	5.40

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Waterless cooker—Continued			
Percolator—3 qt	20	$1.48	$23.84
" spun 2 qt	11	2.50	12.50
Roaster #43 qt	13	1.50	19.00
" (old style)	13	2.33	30.29
" baby bell	211	2.10	122.70
" square 2	2	1.08	2.16
" "	1	1.08	1.08
"	1	4.17	
Percopot	13	1.67	21.71
Coffee pot 1 qt	7	1.08	7.56
" 2 qt. Wagner	1	2.92	2.92
Tea pot #752-2 qt	20	1.25	25.00
" " #762-2 qt	1	1.08	1.08
" " #761-1 qt	4	.94	3.76
De Luxe set—3 pc	50	4.25	212.50
Sets—cast alum	1	4.25	4.25
" water (Sunlite)	11	2.08	22.88
"	1	5.50	5.50
Sauce pan	1	2.52	2.92
" child's pots and pans	1	.83	.83
" berry (Kettle, cover and ladle strainer)	27	1.75	47.25
Double boilers—3 qt. #1084	12	1.34	16.08
" " 2 qt. #1082	25	1.19	29.75
Pudding pans—large	13	.49	6.37
" " medium	20	.32	6.40
" " small	1	.30	.30
Pan—save all pie	3	.05	.15
" pie	7	.05	.35
"	1	.50	.50
"	1	.58	.58
" stew, with covers—(Vanilla)	20	.18	3.60
" jelly	11	.33	3.63
" loaf	6	.36	2.16
" utility	11	.96	10.56
" sponge cake (large)	25	.73	18.25
" sponge cake (small)	37	.62	22.94
" cast alum. fry (Lifetime) #804	8	1.48	11.84
" Wagner	23	1.67	38.41
75 " "	4	1.50	6.00
" dish—17 qt. #317	9	1.78	15.94
" #314	7	1.59	11.13
"	1	2.00	2.00
Pail #113-12 qt	2	1.03	2.06
"	1	1.08	1.08
Bread raiser #321	9	1.73	15.84
" " #317	14	1.30	20.86
" " #314	7	1.25	8.75
" mixer	7	2.70	18.90
Rice boiler	1	1.17	1.17
" "	1	1.80	1.80
Egg Poacher	5	1.38	6.25
Dutch oven	1	1.67	1.67

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Lunch Sets			
Linen	6	$3.62	$21.72
"	4	7.00	28.00
"	1	13.25	13.25
"	2	3.75	7.50
" 50"	16	2.95	47.20
" 66 x 66	10	5.25	52.50
"	147	2.00	29.400
Lunch Cloths			
Linen	137	3.75	513.75
"	2	6.75	13.50
"	93	2.25	209.25
"	85	.96	81.60
Table Cloths			
Fairy damask 54 x 57	24	1.55	37.20
" " "	378	1.55	585.90
" "	199	1.85	368.15
Bridge Sets 36"	7	2.00	14.00
Blue border—full size	1	3.75	3.75
White 68 x 68	1	2.00	2.00
" 72 x 72	3	6.75	20.25
" 64 x 71	1	2.00	2.00
" 70 x 90	1	3.75	3.75
" 63 x 63	2	2.25	4.50
Bed Spreads			
Rayon #55502	7	12.00	84.00
" #55475	9	8.00	72.00
" #55340	14	7.00	98.00
" #4200—Betsy Ross	5	4.50	22.50
" #55503	51	4.00	204.00
" 08	11	3.70	40.70
" #86 x 106 ster	42	3.70	155.40
Jacquard woven #906	26	2.85	74.10
72 Satin	4	11.00	44.00
Silk rep	5	14.00	70.00
Blue	10	2.85	28.50
Rose	6	2.85	17.10
Ivory	1	14.00	14.00
Orchid	2	2.85	5.70
Pink	2	3.70	7.40
White	6	3.00	18.00
Bed Spreads			
White	1	3.70	3.70
Crinkel	7	2.65	18.55
"	1	2.30	2.30
"	43	1.45	62.35
Gold	8	2.85	22.80
Cannon bed set	1	2.30	2.30
" 80 x 90	87	2.30	200.10
Cinderella 84 x 106	13	2.85	37.05
Fancy quilt	13	2.98	38.35
"	2	2.85	5.90
" demon	1	2.00	2.00
" demon	1	1.00	1.00

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Blankets			
Kenilworth 70 x 80	168	$3.80	$638.40
Nabob 68 x 80	110	3.45	379.50
" 66 x 80	11	3.45	37.95
Normon 70 x 80	36	3.05	109.80
Holland 66 x 84	22	11.50	253.00
Hi-art 68 x 80	115	2.60	299.00
" " 68 x 80	62	2.60	161.20
Bonett (all wool)	6	7.50	45.00
Highland 70 x 80 #6973	7	7.50	52.50
Stuart 70 x 80	3	7.50	22.50
Sentinel 66 x 80	5	6.05	30.25
Nabob	4	3.45	13.80
Primus	3	6.05	18.15
Blue	1	11.50	11.50
Rose	1	11.50	11.50
Gold wool	2	6.05	12.10
#4672 72 x 84	48	10.00	480.00
#4672 72 x 84	5	10.00	50.00
Shipment from G. F. Hellick Coffee Company	5 cases	-------	800.00
Comforters	2	10.50	21.00
Auto robes	25	3.50	87.50
Covers			
Tapestry	3	1.75	5.25
"	11	2.50	27.50
"	6	5.00	30.00
"	2	5.25	10.50
77 "	4	3.50	14.00
"	1	.45	.45
Runners			
Velvet	1	.84	.84
"	4	1.50	6.00
Velour	2	2.00	4.00
"	2	2.17	4.34
Tapestry	1	3.35	3.35
"	15	2.50	37.50
"	1	1.75	1.75
"	1	.75	.75
Curtains			
Lace panel	43	2.57½ pr.	110.73
" pr	1 pr.	1.57	1.57
" panel	35	2.65	92.75
" panel	14	2.10	29.40
" "	1	5.50	5.50
" "	1	2.60	2.60
" "	19	1.75	33.25
" "	12	.75	9.00
" pr	2 pr.	1.75	3.50
Voile pr	63 pr.	1.75	110.25
" pr	13 pr.	1.65	21.45
" pr	11 pr.	1.85	20.35
Marquisette-dotted pr	23 pr.	1.25	28.75
" -French	28	2.60	72.80
Marquisette-striped	6	1.90	11.40
" pr	12 pr.	2.50	30.00
Casement cloth ruffled pr	6 pr.	1.65	9.90
Draperies pr	10 pr.	1.40	14.00

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Curtains—Continued			
Panels	27	$0.42	$11.34
"	15	1.83	27.45
"	33	.32	27.39
Velour drapes	4 sets	3.33	13.32
Pillow Cases			
Truth 45"	13	.26	3.38
" 42"	160	.24	38.40
Pacific 42"	24	.37	8.88
" 45"	17	.39	6.63
" 42"	13	.37	4.81
Sheets			
Truth 72 x 90	24	.88	21.12
" 81 x 99	66	1.05	69.30
Sheets			
Truth 72 x 99	43	.97	41.71
Pacific 81 x 99	57	1.45	82.65
78 " 81 x 90	91	1.34	121.94
" 72 x 99	66	1.34	88.44
Towels			
Face	53	.36	19.08
"	25	.58	14.50
" #885	34 doz.	2.25	76.50
"	110¾ doz.	2.25	249.00
Bath towel sets	1	1.00	1.00
Misc.			
Silk pillow	1	1.45	1.45
Handkerchiefs (fancy)	2	.37½	.75
" (ladies) #1353	1286 boxes	.49 each	630.14
" ladies #145	62 doz.	6.00 doz.	372.00
" men's	1003 boxes	.66 box	722.94
Cretonne	20 yd.	.53 yd.	10.60
Mattress protector	1	1.96 each	1.96
Pillow covers	9	1.17 each	10.53
Cushions	3	1.45 each	4.35
Round chenile pillow covers	9	3.00 each	27.00
Women's Bloomers			
No. 1903	741	.53	466.83
" 4613	172	1.22	209.84
" 5277	91	2.00	182.00
Stockings			
Silk	140	1.34	187.60
"	792	.63	498.96
Rugs			
Rag	3	.50	1.50
" 27 x 54 Hopkins	2	.62½	1.25
" " "	177	.62½	110.63
"	1	10.00	10.00
"	1	13.00	13.00
"	9	4.15	37.35
" 27 x 54-Ax-Rax	5	3.25	16.25

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Rugs—Continued			
Oriental franco	4	$14.80	$59.20
" "	5	5.25	26.25
" "	11	5.25	57.75
" "	9	14.80	133.20
36 x 70-Ax-Rax	2	5.60	11.20
30 x 60-Chen-National	2	2.56	5.12
Chenille " "	29	2.56	74.24
" " " 27 x 54	69	2.00	138.00
" -Ax-Rax	13	5.50	71.50
" 27 x 54 Chen-Nat	1	2.88	2.88
Cocoanut Mats-Marsh	6	1.45	8.70
Wilton Leedorn	3	5.50	16.50
70 Camelshair Rox	4	.87	3.48
Latonia Wilton Leedorn	2	10.15	20.30
Roxbury 36 x 70	4	5.60	22.40
Axminster "	2	5.50	11.00
President Wilton velvet	3	4.40	13.20
Velvet step rugs National	19	2.67	50.73
Velvet step rugs National	12	2.10	25.20
Oval rugs National	4	1.85	7.40
Rubber door mats	13	2.10	27.30
Linoleum			
6 x 9	40	5.05	202.00
9 x 10½	52	9.25	481.00
9 x 12	43	10.58	454.94
7½ x 9	33	6.29	207.57
Oilcloth 3 yd. runner	16	2.20	35.20
" 65 x	35	1.00	35.00
" card table covers 35 x	2	.47	.94
Lamps			
Complete	4	26.00	104.00
"	1	28.00	28.00
"	1	18.75	18.75
"	4	21.00	84.00
"	1	11.75	11.75
"	1	13.50	13.50
"	3	12.00	36.00
"	11	10.25	113.75
"	1	10.00	10.00
"	6	8.75	52.50
"	2	8.50	17.00
"	1	6.75	6.75
" large	1	30.00	30.00
"	10	11.50	115.00
"	1	7.00	7.00
"	1	8.50	8.50
"	4	2.60	10.40
"	3	1.20	3.60
" reading	1	1.00	1.00
shade	1	1.20	1.20
" obsolete	40		
stands only	4	6.00	24.00
" "	2	8.75	17.50
" "	1	3.00	3.00
" "	5	3.33	16.65
" "	2	1.25	2.50
" "	6	2.50	15.00
" "	2	5.50	11.00

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued	-		
Lamps—Continued			
Junior lamp	1	$10.25	$10.25
" "	1	26.00	26.00
" "	1	13.75	13.75
" "	1	16.50	16.50
80 " "	1	22.50	22.50
" "	1	8.25	8.25
" " stand only	1	6.00	6.00
Bridge shade	1	5.00	5.00
Bedroom lamp	39	1.47	57.33
" "	2	1.67	3.34
Gooseneck "	12	1.75	21.00
Stands only	2	2.00	4.00
Complete 1 without shade	14	1.67	22.58
"	3	13.75	41.25
"	2	3.33	6.66
"	2	1.00	2.00
"	2	2.50	5.00
" large	1	13.75	13.75
Complete	5	2.60	13.00
Shades	1	2.70	2.70
"	1	5.63	5.63
"	1	6.67	6.67
"	1	6.55	6.55
"	10	1.67	16.70
Stands	3	3.33	9.99
"	18	3.25	58.50
"	15	6.00	90.00
Table lamps	4	13.75	55.00
"	2	3.33	6.66
Lamp cords	4	1.00	4.00
" "	4	.25	1.00
Clocks			
Lewen	42	5.20	218.40
Tick Tock	12	1.62	19.44
Magnor	3	5.20	15.60
Dutch	6	1.75	10.50
#7000-30	48	1.50	72.00
#431-100	7	3.50	24.50
Orsen	1	1.62	1.62
Clock	4	5.20	20.80
Kitchen—8-day plate	16	1.75	28.00
Kitchen—8-day plate	1	1.75	1.75
Kitchen—8-day plate	2	3.00	6.00
Furniture			
Chairs—leather dining room	2	2.75	5.50
Rockers—#5573/4	5	4.50	22.50
" —Child's	4	3.25	13.00
" —No. R5026/41403 (child's)	6	3.25	19.50
" —No. R 5026/43693 child's	10	3.25	32.50
Stool	1	1.65	1.65
"	1	1.65	1.65
" kitchen	8	1.00	8.00
" bath	1	.65	.65
21 Shoeshine outfit	1	6.50	6.50
Leatherette pillows (Thomas Co.)	13	.45	5.85
Card table	11	1.81	19.91
" " Covers (Thompson Auto top)	227	.47	106.69

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Pyrex			
Pie plate and stand	7	$3.33	$23.31
" " " "	1	2.63	2.63
" " " "	1	1.50	1.50
" " " "	3	.43	1.29
Casserole	1	1.23	1.23
"	1	1.50	1.50
" and stand	1	3.35	3.35
Utility pan	1	1.17	1.17
" "	2	.67	1.34
" " #232	1	1.17	1.17
" " #231	3	.67	2.01
Loaf	2	.60	1.20
Dishes	5	.48	2.40
"	6	.37	2.22
" cake #221	8	.50	4.00
" "	1	.50	.50
Bowl	1	.90	.90
"	1	1.08	1.08
"	2	1.33	2.66
"	5	.30	1.50
Custards #426	14	.17	2.38
Sponge cake	1	1.00	1.00
Bran jar	1	1.67	1.67
" " #506	7	1.67	11.69
Tea pot	2	3.75	7.50
" "	2	3.33	6.66
Fry Glass			
Utility tray #1942	2	.58	1.16
" " #1932	1	.90	.90
Pie plate	1	.42	.42
Toilet Sets			
Powder puff holder	3	1.70	5.10
" " "	3	1.75	5.25
Pin cushion	1	1.70	1.70
Hair receiver	1	1.70	1.70
" "	1	1.75	1.75
82 Jewel tray	1	3.15	3.15
Nail buffers	2	1.80	3.60
" powder holders	1 set	1.10 set	1.10
Button hook	2	.50	1.00
" "	1	.45	.45
Cuticle knives	2	.50	1.00
Tray—ivory	1	1.75	1.75
"	1	3.15	3.15
Brush	1	2.35	2.35
Dresser set	4 sets	3.59 set	14.36
Shaving set	1	2.00	2.00
Combs	5	.80	4.00
"	1	.45	.45
Perfume bottle and holder	2	1.50	3.00
Talcum powder	1	1.00	1.00
Hair brush	2	3.10	6.20
" "	1	2.75	2.75
Mirror, comb and brush sets	15	3.59 set	53.85
Toothbrush sterilizer	51	.35	17.85
" " holders	5	.35	1.75
Hair brushes	2	7.25	14.50

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Toilet sets—Continued			
Comb	1	$0.80	$0.80
Cuticle cutters	4	.12	.48
Button hooks	3	.50	1.50
Shoe horn	1	.12	.12
Ivory tray	1	1.75	1.75
Hall polish holders	1	.80	.80
" " "	1	.12	.12
" buffer	1	1.00	1.00
" file	1	.50	.50
Curling irons	5	.90	4.50
"	1	.90	.90
" " electric	1	.90	.90
Toilet sets	32	.98	31.36
Smoking Articles			
Smoking stand #63-55 375x	17	5.50	93.50
" " #63-89 300x	4	4.75	19.00
" " Burke Clancy 200x	9	3.10	27.90
" " 780x	2	12.50	25.00
" " 510x	1	8.50	8.50
" " 375x	1	5.50	5.50
" set 40x	7	.65	4.55
" " 150x	14	2.50	35.00
Capital cigar lighter 130x	17	2.00	34.00
Ash try and " 165x	6	2.50	15.00
Cigar lighter 175x	1	2.50	2.50
Flints 3x	98 pkgs.	.05 pkg.	4.90
Bird Cages			
With stand 500x	2	8.00	16.00
" " 405x	2	6.54	13.08
83 " " 400x	4	6.00	24.00
" " 390x	1	6.25	6.25
Stands only (F & H Mfg. Co.) #105	4	1.50	6.00
Umbrella—ladies 175x	10	2.87½	28.75
" " 225x	122	3.50	427.00
" " 125x	165	1.75	288.75
" men's 125x	17	1.75	29.75
Pencils			
" $0.75	18	.40	7.20
" 1.50	8	.80	6.40
" 2.00	2	1.00	2.00
" 1.00	8	.50	4.00
" 2.75	3	1.50	4.50
" .25	7	.13	.91
" 3.00	2	1.50	3.00
" .50	1	.25	.25
" tins, erasers, and leads	30	.05	1.00
" Redipoint	120	.40	48.00
" " (tarnished)	22	.50	11.00
" Swanberg's	18	.10	1.80
" Tubits	69	.10	6.90
Dolls and Carriages			
Doll heads	2	1.25	2.50
" "	5	1.00	5.00
" "	3	1.75	5.25
" "	2	2.50	5.00
" Suds Smiles	7	2.00	14.00

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Dolls and carriages—Continued			
Doll Sunny Girl	3	$3.00	$9.00
" " "	102	3.50	357.00
" " Boy	2	4.00	8.00
" Vanita	1	2.25	2.25
"	1	3.25	3.25
"	1	1.25	1.25
"	2	3.50	7.00
" Sunny Girl #154	40	3.00	120.00
" Soosie Smiles #4713	65	2.00	130.00
" B 550x (1p1)	15	2.50	37.50
" Equ #4539	24	2.95	70.80
" Lloyd, doll #7018	1	6.75	6.75
Doll carriages	1	2.50	2.50
" "	1	2.75	2.75
" "	6	3.25	19.50
" "	1	4.50	4.50
" "	5	5.00	25.00
" "	3	5.50	16.50
" " #6025	4	4.50	18.00
" " #7016	2	5.00	10.00
" " #6039	4	5.50	22.00
84 Children's Department			
Coaster—Zenith	3	5.60	16.80
" "	3	6.00	18.00
Wagons	1	3.00	3.00
"	3	5.60	16.80
"	1	6.00	6.00
" Skeesix	6	3.00	18.00
Pedal kar	4	3.30	13.20
" " #124	1	2.65	2.65
" " #125	5	3.30	16.50
" " #1655	5	4.00	20.00
Scooter	2	1.60	3.20
Tubular velocipede #5	1	11.80	11.80
Trigycles #42	1	7.30	7.30
"	2	7.75	15.50
"	1	9.00	9.00
"	1	9.80	9.80
"	1	11.80	11.80
Car stroller	1	4.00	4.00
Wheelbarrows—red and green	12	.75	9.00
" #42	1	.75	.75
Skaebogans	10	1.60	16.00
Sleighs #2	35	1.06	37.80
" #3	47	1.25	58.75
" #4	22	1.50	33.00
" #5	35	1.88	64.06
" #9	1	2.33	2.33
Skis	4 pair	2.75	11.00
"	1 "	1.83	1.83
"	2 "	1.50	3.00
"	1 "	1.17	1.17
Household Appliances			
Coveralls	4	.75	3.00
Mops—dust	537	.75	$402.75
" "	1	.80	.80

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Household Appliances—Continued			
Mops, self wringing	2	20.90	$1.80
" squeezette	5	.90	4.80
Ironing board	29	1.83	53.07
" " pads and covers	1,000	.54	540.00
" " "	713	.16⅔	118.88
Curtain dryer	4	2.40	9.60
Clothes reel	298	.26	77.48
Folding clothes racks	8	3.20	25.60
Clothes fork	15	.23	3.45
" wheel	3	.23	.69
Bicycle wringer #770	3	3.77	11.31
Brass wash board #801	6	.23	1.98
Carpet sweeper	1	2.00	2.00
" "	8	19.50	156.00
" " Sterling	8	2.00	16.00
35 Rubber aprons	450	.18	81.00
Brooms	5	.75	3.75
Irons—#5 Elec. (without cord)	3	1.70	5.10
—San. sets	1	1.75	1.75
—Elec.	2	2.70	5.40
— "	2	1.50	3.00
—Berstea Bondon Bevel	8	1.60	12.80
Baskets			
Clothes	12	1.66	19.92
"	1	.40	.40
"	11	1.00	11.00
Hamper	6	2.90	17.40
"	5	3.90	19.50
Picnic	2	.71	1.42
"	1	3.75	3.75
Athletic outfits	3	3.75	11.25
Crayon sets BP	2	.28	.56
" " individual	296	.28	82.88
Dips set	13	.50	6.50
Jardinieres and saucers	3	.83	2.49
Dips set	3	.66	1.98
Jardinieres—without saucers	2	.66	1.32
" brass	2	8.00	16.00
" "	3	5.00	15.00
Door closer	132	.53	69.96
" " samples mounted	36	.52	18.72
Two-burner Elec. stove	1	5.00	5.00
Boston bag	4	3.25	13.00
Elec. heaters	4	5.00	20.00
Christmas cards	2,022 boxes	.42½	859.35
" " (shipment for Boston line)	6 cases		1278.09
Emery wheels	3	1.00	3.00
Candlesticks	8 set	3.00	18.00
Candles	1,188 boxes	.19	226.72
Marmalade jar	2	.60	1.20
Jelly dish	2	1.30	2.60
Bon bon dish	1	1.50	1.50
Mug	1	.75	.75
Relish dish	2	1.75	3.50
Knee iron foot	1	.35	.35
Beehive thermometer	8	2.00	16.00
Pasta holder	2	1.00	2.00

Article of merchandise	Quantity	Unit cost price to Minnesota Tea Company	Cost price to Minnesota Tea Company
PREMIUMS—Continued			
Baskets—Continued			
Pearl strings	8	$2.25	$18.00
Necklaces	4	.75	3.00
SUPPLIES			
Drums 50#	77	60.0¢	50.5
" 25# wooden coffee	92	46.	42.32
86 Sacks—peanut	18	06.	1.08
" grass	32	06.	2.56
" coffee	87	12.	10.44
Cans—Empty 5# coffee	1,680	10.	168.00
Excelsior	150 lbs.	02.	3.00
Delivery baskets	15	70.8	10.62
Cartons—Rice 3 lb	31,900	01.4	446.60
Bags—coffee 2# lined	1,500	00.635	9.53
" " 3 "	11,750	00.91	95.18
" " 4 "	10,500	00.96	100.80
" " 4 unlined	1,750	00.357	4.50
" " 2 "	24,750	00.261	64.60
" " 5 "	6 M	00.366	21.96
" " 12 "	500	00.3	1.50
" " 10 "	750	00.56	4.20
Flour tins 50#	12	113.3	13.60
" " 100#	4	170.4	6.82
Blue 1# bags (not printed) New Eng. Bag & Paper Co	2 M	00.42	8.40
Bags—Kraft sugar ABC 12 printed	11 M	00.3	33.00
" Size 2 printed	10 M	00.261	26.10
" " 14 "	9½ M	00.78	74.10
" " 16 "	7 M	00.85	59.50
" " 25 "	11⅓ M	-01.	113.00
" Kraft sugar ABC 10 printed	12 M	00.56	67.20
" Printed and lined size 12	17⅓ M	00.87	152.25
Cases for Ardsley silverware	6	250.	15.00
Tea cartons 16 oz	3,274	3580. M	117.20
" " 8 oz	13,360	3120. M	416.83
Coffee labels 3#	106,617	903. M	962.61
Freight on above.			41.91
Coffee labels 5#	4,652	350. M	16.28
Freight on above.			.10
Garage			
Valvoline Med. Heavy Motor Oil	27 gal.	80.705	19.05
Polarine Pressure Gen. grease	30 lbs.	.128	3.84
Rim (extra) 32 x 4		2.20	2.20
Tires			
Miller heavy duty balloon 31 x 5.25	2	18.80	36.60
Seiberling heavy duty balloon 31 x 5.25	2	17.50	35.00
Mason heavy duty cord 32 x 4	1	17.45	17.45
Goodrich heavy duty cord 32 x 4	2	16.60	33.20
87-88 Tubes			
Goodrich—Silvertown heavy duty 32 x 4	3	2.50	5.00
Mason heavy duty 32 x 4	1	2.50	2.50
Miller " " 31 x 5.25	2	2.65	5.30
Seiberling " " 31 x 5.25	2	2.95	5.70
			122,462.73

In Witness Whereof said Minnesota Tea Company has caused this full detailed inventory to be signed by E. C. Peterson, its President, and its seal hereunto affixed and attested by A. F. Peterson, its Secretary and Treasurer, this 17th day of August, 1928.

MINNESOTA TEA COMPANY,
By E. C. PETERSON,
President.

Attest:
By A. F. PETERSON,
Secretary and Treasurer.

Full Detailed List of The Creditors of Minnesota Tea Company, Their Address and the Amount Owing to Each Creditor, August 17th, 1928

Names	Address	Amount
E. C. Peterson	2023 W. Superior St., Duluth, Minnesota	$2,187.98
L. T. Peterson	2023 W. Superior St., Duluth, Minnesota	1,613.74
A. F. Peterson	2023 W. Superior St., Duluth, Minnesota	130.58
Duluth Nat'l Bank	2002 W. Superior St., Duluth, Minnesota	74,577.96
Northern Nat'l Bank	Alworth Building, Duluth, Minnesota	15,000.00
A. J. McCulloch	217 Lyceum Building, Duluth, Minnesota	4,500.00
Collector of Internal Revenue.	St. Paul, Minnesota	2,840.50
S. H. Eckman	509 Palladio Bldg., Duluth, Minnesota	2,000.00

STATE OF MINNESOTA,
County of St. Louis } *ss:*

E. C. Peterson, being first sworn, says that he is the President of Minnesota Tea Company; that the foregoing and above statement is a true and correct statement of the names of all the creditors of said Minnesota Tea Company, their respective addresses and the amount owing to each; and that the respective addresses and amount owing each is written opposite to the respective creditors.

E. C. PETERSON.

Subscribed and sworn to before me this 20th day of August 1928.

S. H. ECKMAN,
Notary Public, St. Louis County, Minn.

My Commission expires August 28, 1934.

Detail inventory of auto and delivery equipment transferred to Grand Union Co.

1928 license	Make of car	Model	Year	Serial no.	Motor no.	Company's no.	Date put in service	Depreciation to Aug. 4, 1928			Net book value
								Cost	Percent	Amount	
X 11030	Chev.	Truck	1927	21A A1266	2879877	1		$892.97			$892.97
B 1848	Olds.	"	1926	117	D47240	2	6/ 5/26	1,022.65	53	$531.86	490.97
X 9113	"	"	"	111	D24843	3	2/ 6/26	980.66	62	607.99	372.66
B 1849	Ford	"	1925		11487826	4	4/29/25	700.53	81	567.27	133.05
X 9108	Hupp	"	1922	73874	75630	5	2/ 1/29	385.37	12½	48.17	337.20
X 9131	Chev.	"	1927	21V284424	2804495	6	2/ 1/29	623.30	10	62.32	560.98
X 9110	Dodge	"	1923	686685	727531	7	6/15/26	336.77	3	10.70	326.07
X 9104	Hupp	"	1924	137870	1378270	8	7/25/25	600.00	75	450.00	150.00
X 9105	Hupp	"	1922	98272	90641	9	8/15/26	211.18	10	21.12	190.06
B 1808	Buick	Body only	1918	403844	403844	10	2/ 1/26	279.90	6	16.79	263.11
	Olds.	Truck	1928	CH24	F27351	11		1,191.22			1,191.22
X 9132	Chev.	"	1927	21V98756	2703317	12	2/ 1/29	623.30	10	62.32	560.98
B 3718	Hupp	"	1922	85239	69504	14	2/ 1/26	282.40	10	28.24	254.16
X 9000	Olds.	"	1926	102	D21160	15	1/ 1/26	967.60	64	618.86	348.12
X 9111	Dodge	"	1921	675263	734045	20	4/ 1/25	307.29	8	24.56	282.73
X 10859	Olds.	"	1928	C317	F7208	21	5/16/28	1,271.73	5	63.58	1,208.15
X 10860	"	"	1928	CH9	F7270	23	"	1,271.73	5	63.58	1,208.15
X 9100	Dodge	"	1922	748927	800794	28	8/11/26	157.65	10	15.70	141.90
X 9096	Olds.	Body only	1926	110	D25415	64	2/ 1/26	300.00	62	186.00	114.00
1318822	Dodge	Truck	1925	A197612	A270002	85	6/30/28	270.90	2	5.41	265.50
B 1850	"	"	1924	A197691	A269222	86	2/28/25	1,090.66	55	901.00	189.66
X 10861	Olds.	"	1928	CH10	F7202	27	5/16/28	1,271.73	5	63.58	1,208.15
X 9108	Dodge	"	1924	950462	A2782	38	2/ 1/26	930.65	62	577.00	353.65
X 9107	"	"	1925	A450132	A502114	29	10/ 9/25	1,085.90	70	734.50	310.30
X 9106	"	"	1925	A265870	A337907	30	3/ 6/25	1,090.00	85	901.00	189.00
X 9101	Olds.	"	1927	No 1026	E8004	31	2/15/27	992.75	35	336.46	656.29
X 10862	"	"	1928	CH8	F7257	32	5/16/28	1,271.73	5	63.58	1,208.15
X 9100	"	"	1928	1800	F64195	33	9/10/27	1,096.30	20	219.26	877.04
X 9102	"	"	1926	1004	E7341	34	9/12/26	969.27	50	484.63	484.64
X 10898	White	"	1928	189961	78938	40	2/ 1/28	2,454.95	10	245.50	2,209.45
B 255004	Hupp	Touring	1923	118503	115628		2/ 5/26	250.00	4	10.00	240.00
	1 bob sleigh, no value.							34,748.08		7,911.02	26,837.06

E. C. P., Pres.

	Description	Cost	Date purchased	Depreciation to August 1928		Net book value
1	Burns 2 bag roaster #15R477 completely installed including coffee hoppers, bucket elevators, pulleys, belting, and shafting and 7½ H. P. motor #1436745.	$2,990.91	June 1928	54%	$1,492.35	$1,448.56
1	Steel cut mill #27 installed with motor 3 H. P. #44420	1,400.00	June 1926	41%	582.20	857.80
1	Pulverizer with 3 H. P. motor #88066	100.00	June 1926	41%	41.00	59.00
1	Extra set of steel cutters for mill	215.00	Feb. 1925	34%	78.28	136.76
1	Toledo platform scale style #21A #241474	305.00	Oct. 1919	83%	253.15	51.85
4	Fire Extinguishers	48.00	Nov. 1926	16%	8.64	39.36
1	Cowan transveyor	70.00	Oct. 1922	56%	40.50	31.50
1	Electric hand drill #12533	48.44	Oct. 1926	17%	8.23	40.21
1	Scott Automatic weigher model C2612 not used	280.00	Nov. 1919	82%	205.00	45.00
2	Hand trucks	10.75	Fully dep	100%	10.75	
1	Hobart coffee mill, granulator and pulverizer #63248	994.95	Oct. 1920	36%	351.48	573.47
1	Automatic weigher (Edtbouer)	226.00	Dec. 1923	45%	101.25	125.75
1	Toledo no spring scale style 787BA #488308	165.00	Mar. 1926	4%	6.60	158.40
1	Toledo no spring scale style 253 #62377	110.00		100%	110.00	
3	Counterboy tape machines	105.00	July 1922	50%	53.50	52.00
3	4 wheel platform trucks	40.50		100%	40.50	
7	Fire Extinguishers	84.00	Nov. 1926	18%	15.12	68.88
1	Smith Exact weight scale	90.00	Dec. 1923	45%	40.50	49.50
1	Table 72 x 36 Salesmen room glass top	61.17	Nov. 1922	58%	35.48	25.69
6	Chairs " "	28.80	Nov. 1922	58%	16.70	12.10
1	Burroughs add. mach. (Hand) 7 Col #227781	350.00	Jan. 1918	100%	350.00	
1	" " " Elec 10 " #3-1199074	485.00	Dec. 1927	6%	27.90	477.10
1	" " " " " " #3-614519	450.00	Feb. 1930	75%	337.50	112.50
1	" " " " " 13 " #2-529055	615.00	Feb. 1923	66%	399.75	215.25
1	Underwood Typewriter #626330-12	107.50	Feb. 1927	15%	16.12	91.38
1	Monroe Calculator with stand	245.00	July 1927	10%	24.50	220.50
2	Diebold Safe Cabinets (Route Books)	1,400.00	Nov. 1922	58%	841.00	600.00
1	Set extra Drawers for 1 safe cabinet	76.64	May 1926	2%	1.53	75.06
4	All steel file cabinets with 2-2 drawer 5 x 8 card limits	170.00	Mar. 1926	24%	40.80	129.20
1	Flat top desk double glass top 48 x 60	96.34	May 1919	92%	90.11	6.23
3	" " " single " " 60 x 34	161.70	June 1922	51%	83.47	78.23
1	" " " " " 54 x 30	61.20	May 1918	100%	61.20	

Detail inventory of fixtures and equipment transferred to Grand Union Co.—Continued

	Description	Cost	Date purchased	Depreciation to August 1928		Net book value
1	Flat top desk single glass top 60 x 33	$65.70	Feb. 1922	65%	$42.71	$22.99
1	Typewriter desk " " 64 x 34	64.50	Nov. 1922	58%	37.41	27.09
5	Steel swivel chairs	70.65	Aug. 1927	10%	7.07	63.58
4	Oak swivel chairs	79.60	Aug. 1919	90%	71.64	7.96
2	Emeralite desk lights—double	38.65	Apr. 1924	42%	16.23	22.42
1	" " " "	15.65	Feb. 1922	65%	10.17	5.48
1	Kardex cabinet 9 drawer	69.50	July 1925	30%	20.85	48.65
1	Check protector model V #457929	90.00	July 1923	50%	45.00	45.00
1	Fire Extinguisher	12.00	Nov. 1926	18%	2.16	9.84
1	Flat top double desk glass top Private office	167.00	Nov. 1922	58%	96.86	70.14
2	Swivel chairs " "	85.00	Nov. 1922	58%	49.30	35.70
1	Aireator " "	30.00	Apr. 1928	3%	.90	29.10
1	Leather Settee " "	65.00	May 1924	43%	27.95	37.05
1	Line-a-time	18.00	Jan. 1924	46%	8.28	9.72
1	Round coffee testing table	126.00	Nov. 1927	8%	10.08	115.92
1	Brass Tea kettle	45.00	Nov. 1927	8%	3.60	41.40
1	Big cuspidor	24.00	Nov. 1927	8%	1.92	22.08
5	cuspidors	17.70	June 1922	60%	10.62	7.08
1	Iron safe—Cury Mfg. Co. #32475	303.45	May 1918	100%	303.45	----------
1	National 3 drawer cash register	300.00	Oct. 1923	48%	144.00	156.00
1	Peanut roaster complete with motor Style #6 25 pound capcaity #5236	290.34	Nov. 1925	28%	81.29	209.05
1	Toledo no spring scale style 418A #140373	85.00	— 1917	100%	85.00	----------
1	Countarboy tape machine	34.30	Aug. 1926	20%	6.86	27.44
2	Class display shelves (double) 41" long	23.72	Feb. 1923	55%	13.05	10.67
2	" " " " 27" "	21.50	Feb. 1923	55%	11.83	9.67
2	All glass show case—marble base	300.00	Feb. 1923	55%	165.00	135.00
1	Fire Extinguisher	12.00	Nov. 1926	18%	2.16	9.84
1	Pressure grease gun	46.75	Nov. 1925	38%	17.76	28.99
1	Weaver jack	32.50	Jan. 1923	55%	17.87	14.63
1	Walker roller car jack	32.50	Nov. 1925	38%	12.35	20.15
16	Steel product lockers and					
13	Double Berloy clothes lockers, including installation in garage	509.16	New.		----------	509.16
		14,548.04			7,072.45	7,475.59

1	Standing desk in store				
2	Stools " "				
1	High chair with back in store				
1	Locker counter & 4 shelf rack (for curtains, etc.) 110" long				
1	Glass show case with wooden base 120" long				
3	Glass show case with marble base 96" long				
1	" " " " " " 37" "				
1	" " " " wooden frame 34" "				
1	Jewelry show case with beveled plate glass windows, with counter, base and 5 double door lockers				
	Shelving on west wall				
3	Oak tables for dish display 36 x 72				
1	" " " " " 108 x 30				
1	Dining room table in window				
2	Small stools " "				
1	Counter with marble base 192" long—east side				
1	Hobart coffee mill with Granulator #71253				
1	Show case with wooden frame 72" long				
1	Display shelving on east wall 235" long in store				
4	Sections walker bins (4 double) with bottom in store				
1	Section Mdse. display shelves on top of walker bins 180" long in store	$2,406.82		$2,134.47	$272.35
1	Section Mdse. display shelves on top of walker bins 158" long in store				
1	High wooden mdse. display case 86" long 95" high at end of walker bins in store				
1	High chair with back in office				
1	Wooden file cabinet 4 drawers " "				
1	" " " 3 Sec				
	3 drawer each in office				
1	Card file cabinet (wooden) 4 drawers in office				
2	Westinghouse electric fans in office				
1	Old flat top desk glass top 30 x 30 in office				
2	Arm chairs				
1	Corner office shelving—private office				
1	Hat rack " "				
3	3' x 10' steel plates for floor—Basement				
1	5' x 10' " " " " "				
6	Snow shovels "				
1	45 hole bag rack shipping room				
1	21 " " " " "				

Detail inventory of fixtures and equipment transferred to Grand Union Co.—Continued

OTHER EQUIPMENT UNIT COST OF WHICH IS NOT REFLECTED ON THE BOOKS—Continued

	Description	Cost	Date purchased	Depreciation to August 1928	Net book value
1	Large counter shipping room				
2	Sections walker coffee bins (8 bins to sec.)				
	Shipping room				
1	Walker counter bin (9 sections) Shipping room				
1	" coffee bin section 14 " " "				
1	Bradley stenciling machine " " "				
1	Weed chain tool " " "				
1	Wall clock " " "				
		$16,954.86		$9,206.92	$7,747.94

E. C. P., *Pres.*

95 *Accounts and Bills Receivable Transferred to The Grand Union Company by Minnesota Tea Company as Per Bill of Sale, August 1928*

Premium balances @ 60 percent	$34,261.19
Product balances @ 100 percent	50,540.30
Miscellaneous accounts	881.35
Notes Receivable	124.59
	85,807.43
Less doubtful accounts	10,295.22
	75,512.21

E. C. P., *Pres.*

This Agreement, Made this 23rd day of August 1928 between Minnesota Tea Company, first party, and The Grand Union Company, second party.

Witnesseth: A bill of sale of this date has been executed by first to second party, and it is agreed that the total consideration to be paid by second to first party is Four Hundred Twenty-three Thousand Nine Hundred Eighty-seven Dollars and Forty-two Cents ($423,987.42) in cash and voting trust certificates for eighteen thousand (18,000) shares of fully paid and nonassessable common stock, without par value, of second party, a Delaware corporation.

It is further agreed that as of the delivery date, August 25, 1928, $360,000.00 in cash shall be paid by second to first party, and that $40,000.00 additional cash, with six per cent per annum interest from August 25, 1928, shall be paid within thirty (30) days from said August 25, 1928, and that the remaining $23,987.42 shall also be paid in cash within said thirty (30) days from August 25, 1928, with interest at six per cent per annum; or, in lieu of said $23,987.42, the second party, at its option, may deliver to first party voting trust certificates for said amount of fully paid and nonassessable common stock, with no par value, of The Grand Union Company, a Delaware corporation, at the rate of Twenty-five Dollars ($25.00) per share, and in case second party elects to pay said $23,987.42 by voting trust certificates, no interest on said amount shall be figured, and the certificates may be delivered at the same time as required in the original option for the delivery of such certificates for 18,000 shares. In case second party delivers said voting trust certificates in place of cash, the same limitations upon their transfer shall apply as upon the certificates for 18,000 shares.

96 It is further agreed that as of August 25, 1928, the first party will assign to second party any insurance policies other than life insurance policies and policies on buildings, and in addition to all other sums the second party will pay first party, on account thereof, a proportionate part of the premiums on said policies corresponding to the part of the term of said policies not yet expired.

In Witness Whereof the parties have executed this instrument the day and year first above written.

MINNESOTA TEA COMPANY,
By E. C. PETERSON, *President.*
And A. F. PETERSON, *Secretary.*
THE GRAND UNION COMPANY,
By J. S. WEED, *President.*
[SEAL] And L. P. SHIELD, *Secretary.*

Know All Men By These Presents That Minnesota Tea Company, a Minnesota corporation, first party, in consideration of the sum of One Dollar ($1.00) and other valuable considerations (the exact consideration to be determined and paid in accordance with an option agreement made by Minnesota Tea Company and O. B. Westphal, dated July 2, 1928, as modified by supplemental agreement, dated July 24, 1928, between said Tea Company and said Westphal), does hereby grant, bargain, sell, and convey unto The Grand Union Company, a corporation of the State of Delaware, second party, its successors and assigns, forever, the following described goods, chattels, and personal property, to-wit:

All assets of every kind and description owned by first party upon the 4th day of August 1928 excepting real estate, buildings, fixtures, cash, and the interest of first party in any insurance policies on the lives of any and all of its officers and excepting insurance on buildings and fixtures which it may have owned on August 4th, 1928, but including the good will and all trade-marks and trade names and the right to use the name of "Minnesota Tea Company", and including all automobiles and all machinery and instrumentalities heretofore used in its business, even though such machinery and instrumentalities may be attached to the buildings, and including all bills, notes, and accounts receivable of every description owned by the first
97 party on August 4th, 1928, whether considered doubtful or not, and including all moneys deposited in the bank account heretofore opened in the name of "Minnesota Tea Company Special Account", as provided in said agreement of July 24, 1928, and including all assets of which first party was in possession on August 4th, 1928, through purchase or agreement of purchase, even though the technical legal title might not have passed to it, other than the above-excepted items, and including all property of whatever kind or description which the first party owns at the date of this instrument.

An inventory of the merchandise, certified under the name of first party by its President, which is covered by this bill of sale is hereto attached and made a part hereof, and a summary of the accounts and bills receivable covered by this bill of sale is also hereto attached and made a part hereof, and a list of the automobiles and trucks covered by this bill of sale is also hereto attached and made a part hereof; but the fact that said specific lists of merchandise, accounts, and bills receivable and automobiles is attached shall not be deemed to exclude any of said items that may have been omitted from said

lists, the intention hereof being to include all of the property above described as covered by this bill of sale, whether specifically mentioned in said lists or not.

To Have and To Hold unto the second party, its successors and assigns, Forever. And the first party, for itself and its successors, does covenant and agree to and with the second party, its successors and assigns, to warrant and defend the sale of said goods, chattels and personal property, and the rights hereby conveyed, unto the second party, its successors and assigns, against all and every person and persons whomsoever, lawfully claiming or to claim the same, or any lien or interest therein or right thereto, and covenants that all of said property is free from any encumbrance.

And the first party further covenants that it has not disposed of any of its assets or collected any accounts receivable, other than in the normal conduct of its business, since July 2, 1928, and that in case it is owing any amounts on any of the property covered by this bill of sale then it shall pay and discharge such amounts, it being understood and agreed that any bills incurred since August 4, 1928, for any purchase of merchandise or expense of running the business are to be absorbed by the second party, it being the understanding and agreement that the said business has been operated for the account of the second party since August 4, 1928, to and including the delivery date hereof as of August 25, 1928.

98 First party further agrees, for the considerations aforesaid, immediately to change its name to a name satisfactory to second party and that it will not hereafter engage in the Wagon Route tea and coffee business in any part of the United States, and for the considerations aforesaid first party further agrees that it will not, for a period of one year from August 25, 1928, dispose of any of the voting trust certificates to be received by it, other than to its stockholders, and that if it disposes of any of the same to any of its stockholders it will cause them, at the time of the acquisition, to enter into an agreement with second party that for such period they will not sell or dispose of any of the same to be acquired by them.

In Witness Whereof first party has caused this instrument to be executed, in its corporate name, by its proper officers and its corporate seal to be hereunto affixed, this 23rd day of August 1928.

MINNESOTA TEA COMPANY,
By E. C. PETERSON,
President.
And A. F. PETERSON,
Secretary.

Signed, Sealed, and Delivered in Presence of:
W. D. BAILY,
S. H. ECKMAN.

This Agreement, Made this 23rd day of August 1928, between Minnesota Tea Company, first party, and The Grand Union Company, second party,

Witnesseth: A bill of sale of this date has been executed by first to second party, and it is agreed that the total consideration to be paid by second to first party is Four Hundred Twenty-three Thousand Nine Hundred Eighty-seven Dollars and Forty-two Cents ($423,987.42) in cash and voting trust certificates for eighteen thousand (18,000) shares of fully paid and nonassessible common stock, without par value, of second party, a Delaware corporation.

It is further agreed that as of the delivery date, August 25, 1928, $360,000.00 in cash shall be paid by second to first party, and that $40,000.00 additional cash, with six percent per annum interest from August 25, 1928, shall be paid within thirty (30) days from said August 25, 1928, and that the remaining $23,987.42 shall
99 also be paid in cash within said thirty (30) days from August 25, 1928, with interest at six per cent per annum; or, in lieu of said $23,987.42, the second party, at its option, may deliver to first party voting trust certificates for said amount of fully paid and nonassessable common stock, with no par value, of The Grand Union Company, a Delaware corporation, at the rate of Twenty-five Dollars ($25.00) per share, and in case second party elects to pay said $23,987.42 by voting trust certificates, no interest on said amount shall be figured, and the certificates may be delivered at the same time as required in the original option for the delivery of such certificates for 18,000 shares. In case second party delivers said voting trust certificates in place of cash, the same limitations upon their transfer shall apply as upon the certificates for 18,000 shares.

It is further agreed that as of August 25, 1928, the first party will assign to second party any insurance policies other than life insurance policies and policies on buildings, and in addition to all other sums the second party will pay first party, on account thereof, a proportionate part of the premiums on said policies corresponding to the part of the term of said policies not yet expired.

In Witness Whereof the parties have executed this instrument the day and year first above written.

MINNESOTA TEA COMPANY,
By E. C. PETERSON, *President.*
And A. F. PETERSON, *Secretary.*
THE GRAND UNION COMPANY,
By J. S. WEED, *President.*
And L. P. SHIELD, *Secretary.*

Before United States Board of Tax Appeals.

MINNESOTA TEA COMPANY, PETITIONER
VS.
COMMISSIONER OF INTERNAL REVENUE, RESPONDENT
E. C. PETERSON, PETITIONER
VS.
COMMISSIONER OF INTERNAL REVENUE, RESPONDENT
A. F. PETERSON, PETITIONER
VS.
COMMISSIONER OF INTERNAL REVENUE, RESPONDENT
100 L. T. PETERSON, PETITIONER
VS.
COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

Docket Nos. 54227, 60837–60839
Promulgated June 30, 1933

1. The acquisition by one corporation of substantially all the properties of another corporation is not, of itself, a statutory reorganization under section 112 (i) (1), Revenue Act of 1928. Such acquisition, to come within section 112 (i) (1) (A), must be part of a strict merger or consolidation or of something which partakes of or resembles a merger or consolidation and involves a continuance of essentially the same interests through modified corporate form.

2. In determining whether a statutory reorganization exists, the definition of section 112 (i) (1) must be read in its entirety and part A may not be applied so as to stultify part B.

3. Three persons owning all the shares of a corporation conducting a local business cause the corporation's assets to be transferred to another existing corporation with nation-wide activities, for cash, which is immediately distributed, and 7½ percent of the shares of the larger corporation. The local corporation continues its existence, holding as its assets the acquired shares, and the individuals continue as its shareholders. Held, not a statutory reorganization, the local corporation being taxable upon a gain measured by the difference between the cost of the assets transferred and the sum of the cash and value of shares received, and the individuals being taxable upon the cash dividend received.

C. J. McGuire, Esq., for the petitioners.
Prew Savoy, Esq., and George D. Brabson, Esq., for the respondent.

Opinion

STERNHAGEN: The respondent determined deficiencies in the income taxes of the petitioners as follows: Minnesota Tea Co., $11,587.64 for the period January 1, 1928, to August 24, 1928; E. C. Peterson, $15,982.31 to 1928; A. F. Peterson, $646.66 for 1928; and L. T. Peter-

son, $15,974.76 for 1928. There is no explanation for the use of a short tax period for the Minnesota Tea Co., although it is stated in the notice of deficiency of January 26, 1931, that "it is still a going concern." The facts are stipulated, and findings are unnecessary.

The Minnesota Tea Co., engaged in the retail grocery business, negotiated in 1928 for the transfer of its business to the Grand
101 Union Co. Its shares were all owned by the three Petersons, and, so far as appears, still are. Before making the transfer to the Grand Union Co., it transferred its real estate and some miscellaneous property to the Peterson Investment Co., newly created for the purpose, in exchange for the Peterson Co.'s shares, which it immediately distributed proportionately among its three shareholders. Thus reduced, the entire assets of the Minnesota Co., the statutory cost of which was $254,646.62, were transferred to the Grand Union Co. for $426,842.52 cash and 18,000 shares (voting trust certificates) of Grand Union no-par common, which it agreed not to sell for a year. The 18,000 shares were neither distributed nor sold. The $426,842.52 was distributed among the three shareholders, who assumed, and paid, the Minnesota Co.'s liabilities amounting to $106,471.73. At the time of the receipt by the Minnesota Co. of the cash and shares, its undistributed earnings and profits were $109,442.83. The outstanding shares of the Grand Union Co. were at this time 239,726, and they were being sold on the New York Stock Exchange for around 30.

Several questions are raised as to the gain resulting to each of the petitioners from these transactions and as to the recognition thereof as a statutory matter; but such questions are predicated upon the idea that there was a statutory reorganization, as that term is defined by section 112 (i) (1),[1] Revenue Act of 1928. Whether there was such a reorganization must, therefore, be first decided. If there was no such reorganization, there is no foundation for the petitioners' attack on the deficiencies, and the respondent's determinations must be sustained; while if a statutory reorganization occurred, the measure of the resulting tax must be determined with regard to other statutory provisions.

At the time when the deficiencies were determined, there was a disposition to read the statutory definition with a superficial
102 regard for its language, and thus to say that the acquisition by one corporation of substantially all the properties of another corporation was per se a reorganization. The extent of this

[1] Sec. 112. Recognition of Gain or Loss.

* * * * * * *

(i) Definition of reorganization.—As used in this section and sections 113 and 115—
(1) The term "reorganization" means (A) a merger or consolidation (including the acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation, or substantially all the properties of another corporation), or (B) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor or its stockholders or both are in control of the corporation to which the assets are transferred, or (C) a recapitalization, or (D) a mere change in identity, form, or place of organization, however effected.

* * * * * * *

literalism is indicated by Sarther Grocery Co. vs. Commissioner, 63 Fed. (2d) 68, in which the view was urged by the taxpayer that a sale for cash of all its properties by one corporation to another was a reorganization. See Tulsa Oxygen Co., 18 B. T. A. 1283; National Pipe & Foundry Co., 19 B. T. A. 242; First Nat. Bank of Champlain, 21 B. T. A. 415; Robert D. Green, 24 B. T. A. 719. In Cortland Specialty Co., 22 B. T. A. 808, the Board gave a broader consideration to the definition and, although there was "no question whatsoever but that substantially all of the [one] company's properties were acquired by the [other]", held that there was no reorganization.

In the development of the law by the courts, the literal view has never gained a foothold. The Fifth Circuit Court of Appeals, in Pinellas Ice & Cold Storage Co. vs. Commissioner, 57 Fed. (2d) 188, the first court decision on the subject, took quite the opposite view, saying:-

It must be assumed that in adopting paragraph (h) (of section 208, Revenue Act of 1926, to which the section now under consideration is similar) Congress intended to use the words "merger" and "consolidation" in their ordinary and accepted meanings. Giving the matter in parenthesis the most liberal construction, it is only when there is an acquisition of substantially all the property of another corporation in connection with a merger or consolidation that a reorganization takes place. Clause (B) of the paragraph removes any doubt as to the intention of Congress on this point.

A few months later the Second Circuit Court of Appeals, in Cortland Specialty Co. vs. Commissioner, 60 Fed. (2d) 937, held that the acquisition by one corporation of all the properties of another was not to be treated by itself as a statutory reorganization; that such acquisition, to be within the statute, must be related to what would in general legal parlance be referred to as a reorganization, but that the concept of such reorganization was not as restricted as the Fifth Circuit Court of Appeals had held, as being confined to technical mergers or consolidations, but could include other arrangements whereby there was substantially a continuance of the same interests in the business and properties affected, the change being only a modification in corporate form or structure.

The Supreme Court in Pinellas Ice & Cold Storage Co. vs. Commissioner, 287 U. S. 462, held that the absolute view of the
103 Fifth Circuit Court of Appeals was too narrow an interpretation of the statute. The Supreme Court cited with approval the opinion of the Second Circuit Court of Appeals in Cortland Specialty Co. vs. Commissioner, supra. It said that the parenthetical expression, "the acquisition of substantially all the properties of another corporation"; has the effect of "expand[ing] the meaning of 'merger or consolidation' so as to include some things which partake of the nature of a merger or consolidation, but are beyond the ordinary and commonly accepted meaning of those words—so as to embrace circumstances difficult to delimit but which in strictness cannot be designated as either merger or con-

solidation." It held that the situation before it "has no real semblance to a merger or consolidation."

In the light of these decisions, it is now the law that the parenthetical expressions may not be considered separately, but only as parts of the entire section of the statute, and hence that the acquisition by one corporation of substantially all of another's properties is not of itself, enough to constitute a statutory reorganization, but must be part of a strict merger or consolidation or of something which partakes of the nature of a merger or consolidation and has a real semblance to a merger or consolidation and involves a continuance of essentially the same interests through a modified corporate structure.

This construction of part (A) of the definition must be shaped to fit into the definition as a whole. There is a plain intendment to correlate part (A) and part (B), for both deal with the change of ownership among corporations of their properties. Whether there be any substantial significance in the fact that (A) treats of the acquisition, thus apparently emphasizing the receiving side of the transaction, while (B) treats of the transfer, the opposite facet, is perhaps unimportant here; for, however that may be, they must both be construed to effect.[3] (A) may not be read so broadly in respect of the acquisition of property for stock as to stultify (B), dealing with the transfer of property for stock. Such a transfer, to be a reorganization under (B), must comply with the prescribed condition,—"if immediately after the transfer the transferor or its stockholders or both are in control of the corporation to which the assets are transferred", and it would not do to treat as a reorganization a transfer for less than control through the device of
104 calling it a merger and thus bringing it within (A). While, therefore, there is latitude in the term merger, there is at the same time the necessity of keeping it within the bounds of (A) and not invading (B).

There is substantial difficulty in this. Some overlapping seems inevitable. It is therefore better not to attempt to formulate a rule of construction, which by its very language may serve to constrict the operation of the statute more narrowly that was intended. It is only important to fulfill the purpose indicated by the language of the statute. The underlying purpose of this section is to permit a change in the form of ownership which in essence does not affect continuance of the same actual ownership of substantially the same properties without fear of tax at the time of the formal change. In the case of a true merger or consolidation, the immunity from tax is extended beyond this purpose, since to the shareholders the result is to give him new shares representing properties in some of which he theretofore had no interest. While through modified forms he has

[3] An examination of the history of these provisions seems to indicate that there was no deliberate design to differentiate between the phraseology of (A) and (B), but only to bring together, within the definition of reorganization, language which had already been used in separate parts of the statutory scheme.

a continuing interest in the same assets, although in a lessened proportion, he also acquires an interest in entirely new assets.

Is this, then, an arrangement which for the purpose of the statute so far partakes of the nature of a merger or consolidation or resembles it as to bring about the same tax result, notwithstanding it is not the transfer of properties for controlling shares of the transferee? Three persons owning all the shares of a corporation conducting a local business cause the corporation's assets to be transferred to another existing corporation with nation-wide activities, for cash, $426,842.52, which is distributed to them, and approximately 7½ percent of the shares of the large corporation, worth approximately $540,000. The local corporation continues its existence, holding as its assets the acquired shares, and the individuals continue to be the owners of their original shares. We think it is not within the scope of the statute.

The nature of the transaction is the same as that treated in (B) except for the condition. Omitting consideration of the cash received, since its effect is found rather in subdivision (d) than in the definition of subdivision (i), there was a transfer by one corporation of all its properties to another for stock in the transferee, but instead of being in control, which by subdivision (j) means the ownership of at least 80 percent of the transferee's shares, there is ownership by the transferor of only 7½ percent of such shares. Thus the transaction appears to be far from a continuing interest
105 in the same property through a mere change in forms of ownership but rather an almost complete change in the essential assets owned; and this still disregards the large proportion of cash received.

This wide departure from the percentage of stock upon which (B) is conditioned, in a transaction which is otherwise within that part of the definition, should make us slow to find (A) nevertheless applicable. The parties to the transaction deliberately for their own purposes refrained from a merger. Furthermore, they chose an arrangement which avoided the result of a merger. Instead of the shareholders of the Minnesota Co. owning shares of the Grand Union Co., as they would have if there had been a merger, they continued to own Minnesota shares; and instead of the Minnesota Co.'s disappearance as in a merger, its existence and powers continued, and as the owner of the Grand Union shares it brought about a freedom from immediate tax upon the dividends upon such Grand Union shares, since by section 23 (p) such dividends are deductible by a corporation simultaneously with their receipt as gross income, while to an individual shareholder dividends are subject to surtax.

This decision does not restrict (A) to technical mergers. It still leaves room for a more expansive application of the statute. It might be suggested, for example, that by having the assets of the Minnesota Co. transferred to the Grand Union in exchange for shares and then having the Minnesota Co. promptly distribute such shares among its own shareholders in liquidation and dissolve, so that in all substantial

respects the outcome would have been the same as if a true merger had occurred, the petitioners might properly have invoked part (A) of the definition. How much further from a true merger they might have gone and yet achieved what the statute calls a reorganization, we do not attempt to say. It is enough now to hold that the facts before us go further than the statute implies, and that there was no reorganization.

In this view the Minnesota Co. realized a gain measured by the difference between the $254,646.62, cost of its property, and $966,842.52, being the sum of $426,842.52 cash and $540,000, the value of the 18,000 shares of Grand Union Co. Section 111. This gain of $712,195.90 may not escape recognition. Section 112 (a).

The question is suggested whether the 18,000 shares of Grand Union stock were without fair market value, since there was a covenant against its sale within a year after its receipt. The petitioners say they do not press the point before the Board, but "preserve it for
106 the purpose of the record." The restriction was a contractual obligation and therefore voluntary, and does not, in our opinion, leave the shares without fair market value, as that term is meant to be used in the statute. See Newman vs. Commissioner, 40 Fed. (2d) 225. This fair market value we find to be $30 a share.

As to the Petersons, it follows from the foregoing that the distribution to them, as shareholders, of the cash surplus was, after being reduced by the amount of the liabilities assumed, $106,471.73, an ordinary dividend subject to surtax.

Reviewed by the Board.

Judgment will be entered under Rule 50.

MARQUETTE concurs in the result.

Dissenting opinion

VAN FOSSAN, dissenting: It seems clear to me that the prevailing opinion goes much further than is warranted, either by the language of the revenue acts or by the authoritative decisions of the courts. It reads into the statute a concept and a limitation neither written in nor intended by Congress.

Dissenting opinion

BLACK, dissenting: The effect of the majority opinion as I construe it is to interpret paragraph (1) (A) of section 112 (i) of the Revenue Act of 1928, which now reads: "(1) The term 'reorganization' means (A) a merger or consolidation (including the acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation, or substantially all the properties of another corporation)" as if the last clause quoted above were made to read: "or substantially all the properties of another corporation if immediately after the transfer the transferor or its stockholders or both

are in control of the corporation to which the properties are transferred." I find no warrant for reading into the statute this language which is not there.

In support of the conclusion which it reaches, the majority opinion cites Cortland Specialty Co., 22 B. T. A. 808; affd., 60 Fed. (2d) 937; and Pinellas Ice & Cold Storage Co. vs. Commissioner, 287 U. S. 462. I do not think these two cases are authority for what the Board holds in the instant case.

In the Cortland Specialty Co. case, one corporation transferred its assets to another in consideration of cash and promissory notes. The Board held that the transaction was not a reorganization but simply a sale by one corporation of its assets to another. This view was upheld by the Circuit Court of Appeals for the Second Circuit,
107 the court holding that the transaction did not come within section 203 (e), Revenue Act of 1926, because the property received for the assets sold did not include "stock or securities", the notes received not being so classifiable. There was no continuity of interest on the part of the transferor corporation or its stockholders in the property sold because neither the selling corporation nor its stockholders received stock in the purchasing corporation. The situation in Pinellas Ice & Cold Storage Co. was pretty much the same. There two corporations owned by the same stockholders sold their assets to a third corporation for cash and promissory notes. No stock or other securities of the purchasing corporation were received. The Supreme Court held that the transaction was a mere sale of assets and did not partake of any of the features of either a merger or a consolidation. The court was, however, careful to point out that the words within the parenthesis of (A) might not be disregarded. On that point the court said:

* * * The words within the parenthesis may not be disregarded. They expand the meaning of "merger" or "consolidation" so as to include some things which partake of the nature of a merger or consolidation but are beyond the ordinary and commonly accepted meaning of those words—so as to embrace circumstances difficult to delimit but which in strictness cannot be designated as either merger or consolidation. But the mere purchase for money of the assets of one company by another is beyond the evident purpose of the provision, and has no real semblance to a merger or consolidation. Certainly, we think that to be within the exemption the seller must acquire an interest in the affairs of the purchasing company more definite than that incident to ownership of its short-term purchase money notes.

In the instant case the seller acquired an interest in the affairs of the purchasing company to the extent of 18,000 shares (voting trust certificates) of its no-par common stock. This, in my opinion, gave the transferring corporation that continuing interest in the new enterprise which brings the transaction within the definition of (A) above quoted. As to the cash received in the transaction, it is taxable to the corporation to the extent of the gain realized, unless dis-

tributed to the stockholders in pursuance of the plan of reorganization. This is so by reason of section 112 (d) of the Revenue Act of 1928, which reads:

If an exchange would be within the provisions of subsection (b) (4) of this section if it were not for the fact that the property
108 received in exchange consists not only of stock or securities permitted by such paragraph to be received without the recognition of gain, but also of other property or money, then—

(1) If the corporation receiving such other property or money distributes it in pursuance of the plan of reorganization, no gain to the corporation shall be recognized from the exchange, but

(2) If the corporation receiving such other property or money does not distribute it in pursuance of the plan of reorganization, the gain, if any, to the corporation shall be recognized, but in an amount not in excess of the sum of such money and the fair market value of such other property so received, which is not so distributed.

It is my understanding that it is under the foregoing provision that the Commissioner has determined that there is a taxable gain to the corporation in this proceeding to the extent of $106,471.73. On the date that petitioner, the Minnesota Tea Co., transferred all of its assets to the Grand Union Co. for 18,000 shares of its common stock plus $426,842.52 in cash, pursuant to resolutions authorizing the transfer, it immediately distributed the cash pro rata to its shareholders, the petitioners, E. C., A. F., and L. T. Peterson, who assumed and thereafter duly discharged all of its liabilities. The petitioners Peterson received cash in the amount of $426,842.52 and assumed and paid liabilities of $106,471.73, each thereby receiving his pro rata portion of the net distribution of $320,370.79. Respondent has held this taxable to each of the petitioners Peterson as dividends received from the corporation and has held the $106,471.73 taxable to the corporation as profit from the transfer of assets, received *in cash and not distributed to the stockholders in pursuance* to a plan of reorganization. The Commissioner contends that this $106,471.73 was impressed with a trust, that the stockholders should use it to pay the debts of the corporation, and that this is not a distribution to stockholders within the meaning of the statute above quoted, but is equivalent to the corporation itself using the money to pay its debts. With this view I agree. The majority opinion, however, does not affirm the deficiency against the corporation on that ground, but on the ground that there was no reorganization and the whole transaction was taxable. With this view, for reasons I have already stated, I disagree. I do not discuss the question as to whether the $320,370.79 admittedly distributed to the petitioners Peterson is all taxable to them as dividends as determined by respondent, or only a part as contended by petitioners. The
109 majority opinion having affirmed the deficiencies on the ground that there was no reorganization, I am content to record my dissent to that holding.

Before United States Board of Tax Appeals

[Title omitted.]

Motion for rehearing and granting thereof

Filed July 29, 1933

Now comes the Commissioner of Internal Revenue, by his attorney, E. Barrett Prettyman, general counsel, Bureau of Internal Revenue, and moves the Board for an order authorizing a rehearing of this case in order that the Commissioner may make claim for an increased deficiency, and as grounds for said motion and in support whereof shows:

1. That this case was tried before this Board on October 12, 1932, and the opinion of the Board was promulgated on June 30, 1933, resolving all issues in favor of respondent.

2. That at the time the deficiencies in question were asserted and at the time the case was tried before the Board there was a disposition on the part of the Commissioner of Internal Revenue to treat the acquisition by one corporation of substantially all of the properties of another corporation as a reorganization per se under the provisions of section 112, Revenue Act of 1928; and the deficiency asserted against this taxpayer in the deficiency notice was based upon the theory that there was such a reorganization, the amount of taxable gain therefrom being limited to the amount of cash used to satisfy the creditors of the petitioner corporation.

3. That this case was tried upon the assumption that upon the facts stipulated therein there was a reorganization within the meaning of section 112, Revenue Act of 1928.

4. That the Board now holds that under the facts so stipulated no reorganization took place within the meaning of said section, and that, therefore, the petitioner was taxable upon the entire profit realized upon the sale or exchange of its assets for cash and stock of the Grand Union Company.

5. That if the final order of the Board is allowed to be
110 entered upon the basis of the deficiency notice, approximately $605,723.27 of taxable income computed in accordance with the Board opinion will not be taxed.

That under the decisions of this Board the petitioner's income-tax liability arose and became a liability against it independently of any action upon the part of the Commissioner of Internal Revenue in asserting or assessing a tax against it. A. F. Dean et al., 27 B. T. A. ——, decided June 23, 1933.

6. It is noted that in its opinion the Board held that the petitioner realized a "gain of $712,195.90, which may not escape recognition." It is further noted that in the sixty-day deficiency notice the re-

spondent asserted a tax only upon the amount of cash paid to creditors, to wit, $106,471.73.

Wherefore, in view of the facts found by the Board herein, it is prayed that this motion be granted.

(Signed) E. BARRETT PRETTYMAN,
General Counsel,
Bureau of Internal Revenue.

Of counsel:
GEORGE D. BRABSON,
Special Attorney,
Bureau of Internal Revenue.

Granted Aug. 1, 1933.

(Signed) JOHN M. STERNHAGEN,
Member U. S. Board of Tax Appeals.

Before U. S. Board of Tax Appeals

Motion of petitioner to set aside order granting rehearing and denial thereof

Filed September 1, 1933

Counsel for respondent in the above-entitled and numbered cause under date of July 29, 1933, filed a motion for rehearing, which said motion was granted under date of August 1, 1933, without hearing thereon and without prior notice to petitioner or to counsel for petitioner.

Comes now petitioner, by its counsel, and respectfully moves that the order of the Board be set aside and that the motion for rehearing be denied. Petitioner's motion is based upon the following reasons:

111 (1) Although designated "Motion For Rehearing", in fact and in substance the motion is for leave to move for an increased deficiency. It is respectfully submitted that simply designating a motion as a particular thing does not make the motion that particular thing. The General Counsel has not asked for any rehearing. Admittedly in his motion he accepts the decision of the Board and, therefore, there is no subject matter for a rehearing.

(2) The granting of a motion for leave to ask for an increased deficiency contravenes the provisions of section 274(e) of the Revenue Act of 1926, which reads as follows:

"The Board shall have jurisdiction to redetermine the correct amount of the deficiency even if the amount so redetermined is greater than the amount of the deficiency, notice of which has been mailed to the taxpayer, and to determine whether any penalty, additional amount or addition to the tax should be assessed, if claim therefor is asserted by the Commissioner at or before the hearing or a rehearing."

(3) The granting of respondent's motion is contrary to the decision of the Board in Selwyn Operating Corporation vs. Commissioner, 11 B. T. A. 593. In that decision the Board stated:

"The rule is clear and unquestioned that, although a motion or petition for a new trial or rehearing is addressed to the discretion of the court and this discretion may be broadly exercised, there must be some legal ground for the action sought, both alleged in the pleading and proven to the satisfaction of the court. State vs. Place (S.D.), 107 N. W. 829; Ohio Railroad Co. vs. Stein, Ind.), 31 N. E. 180; 19 L. R. A. 733."

It is respectfully submitted that even if respondent's motion could be considered a motion for rehearing, he has stated no ground for such motion. He has not indicated that he has any new evidence to submit; he has not pleaded substantial error at trial or fraud or mistake. In other words, if a rehearing is to be had, respondent intends to do nothing except move for an increased deficiency. He does not want a rehearing and he does not ask for a rehearing.

(4) Any further action in this case necessitated by the decision of the Board, which decision is not attacked by counsel for respondent, can be accomplished under Rule 50. The Board and the courts have decided that a motion for an increased deficiency may
112 not be made at a Rule 50 hearing. (Davidson vs. Commissioner [60 F. (2d) 59]). In stating that his motion was a motion for rehearing, respondent has endeavored to circumvent and violate the provisions of section 274(e) of the Revenue Act of 1926.

(5) Whether or not income will escape taxation in the event respondent's motion for leave to ask for an increased deficiency is denied is immaterial. Congress necessarily had knowledge that income might escape taxation when it enacted section 274(e) of the Revenue Act of 1926. In respect of the decision of A. F. Dean et al., vs. Commissioner, 27 B. T. A. #95, it is respectfully submitted that such decision has absolutely no bearing on and lends no support to the motion of counsel for respondent.

As petitioner's motion for rehearing was granted without notice to counsel for petitioner and as the granting of such motion occurred in a case reviewed by the Board and as no adequate grounds for a rehearing have been presented by counsel for respondent, it is respectfully requested that this motion be reviewed by the Board and a hearing thereon granted.

Wherefore, for good cause shown, it is respectfully prayed that this motion be granted.

J. MARVIN HAYNES,
Counsel for Petitioner.

916 Investment Building, Washington, D. C.
Sept. 1, 1933.
Denied Sep. 29, 1933.

(Signed) JOHN M. STERNHAGEN,
Member U. S. Board of Tax Appeals.

Before U. S. Board of Tax Appeals

Statement

Filed at Hearing November 8, 1933

IT:AR:D-3
SON

In re: Minnesota Tea Company, Duluth, Minnesota.

Income Tax Liability

Year, 1928:

Income tax liability	$84,274.54
Income tax assessed	11,587.64
Deficiency	72,686.90

113 The tax liability shown herein has been recomputed in accordance with the order of the United States Board of Tax Appeals, Docket #54227, promulgated June 30, 1933.

JBW-1

Minnesota Tea Company. Year ended December 31, 1928.

Schedule 1

Net income as shown in sixty-day letter dated January 26, 1931		$96,563.66
Net income as revised		702,287.83
Net increase		605,724.17

EXPLANATION OF CHANGE

In accordance with the decision of the United States Board of Tax Appeals the transfer of your business to the Grand Union Company, which resulted from negotiations in 1928, was not a statutory reorganization under section 112(i)(1) of the Revenue Act of 1928 and a taxable gain has been computed measured by the difference between the cost of assets transferred and the sum of the cash and value of shares received.

Increase in taxable income		$605,724.17
Profit on assets transferred:		
Consideration received for assets transferred to Grand Union Company—cash	$426,842.52	
18,000 shares (voting trust certificates) of Grand Union no-par common, market value $30.00 per share	540,000.00	
Total	966,842.52	
Statutory cost of assets	254,646.62	
Taxable gain	712,195.90	
Profit previously taxed	106,471.73	
Increase as above		605,724.17

Computation of tax

Net income adjusted	$702,287.83
Less credit	None.
Income subject to tax	702,287.83
Tax at 12%	84,274.54
Tax previously assessed	11,587.64
Deficiency in tax	72,686.90

JBW-1

114 Before United States Board of Tax Appeals, Washington

DOCKET No. 54227

MINNESOTA TEA COMPANY, PETITIONER

vs.

COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

Order of redetermination, November 13, 1933

This proceeding duly came on for rehearing, over petitioner's objection, whereupon respondent moved for judgment in accordance with his amended answer in the amount of $72,686.90, the computation of which petitioner agrees is in accordance with the Board's opinion. The petitioner contests both the jurisdiction and propriety of the Board to enter such a judgment, and moves instead for the entry of judgment of $11,587.64, the amount of the deficiency originally determined. This counter-motion is denied. It is

Ordered, Adjudged and Decided that there is a deficiency of $72,686.90 in petitioner's income tax for the period January 1, 1928 to August 24, 1928.

Enter

Entered
Nov. 13, 1933.

(Signed) JOHN M. STERNHAGEN,
Member.

25412—35——7

In United States Circuit Court of Appeals for the Eighth Circuit

[Title omitted.]

Petition of Minnesota Tea Company for review of decision of United States Board of Tax Appeals

Filed Feb. 5, 1934

To the Honorable Circuit Court of Appeals for the Eighth Circuit:

The petition of Minnesota Tea Company, a corporation organized under the laws of the State of Minnesota and having its principal place of business at Duluth, Minnesota, respectfully shows:

One: This is a proceeding for review by the United States
115 Circuit Court of Appeals for the Eighth Circuit, of a decision of the United States Board of Tax Appeals entered November 13, 1933, redetermining a deficiency in income taxes for the calendar year 1928 in the amount of $72,686.90, petitioner having filed its income-tax return for said year with the Collector of Internal Revenue at St. Paul, Minnesota.

Two: The nature of the controversy before said Board of Tax Appeals was the redetermination of the deficiency in income taxes for the period January 21, 1928, to August 24, 1928, and, in particular, whether petitioner realized a taxable gain as a result of the transactions hereinafter set forth. The controversy comes up for review as follows:

(1) The petitioner is a Minnesota corporation and was engaged in the business of selling teas, coffees, and groceries at retail. On July 14, 1928, petitioner caused to be formed the Peterson Investment Company, a Minnesota corporation, and transferred to it certain of its assets in exchange for the entire capital stock of Peterson Investment Company. The assets so transferred to the newly formed corporation consisted of real estate and buildings, investments, and other miscellaneous assets. Immediately upon receipt of the stock in Peterson Investment Company, it was distributed by petitioner pro rata among its stockholders.

(2) On August 23, 1928, petitioner transferred all of its assets to Grand Union Company, another corporation, and received in exchange therefor 18,000 shares of common stock of said Grand Union Company and $426,842.52 in cash.

(3) Upon receipt of said cash and stock, the petitioner immediately paid the entire sum of $426,842.52 to its stockholders in proportion to their stock holdings, pursuant to an agreement by all of the stockholders, whereby in consideration of such distribution, said stockholders agreed to pay all the corporate debts of the petitioner, whether due and payable or not and whether certain or contingent. The stock was retained by petitioner; and the amount of liabilities of petitioner on August 23, 1928, which were assumed and discharged by the stockholders of petitioner pursuant to said agreement, was $106,471.78.

(4) Respondent, in determining the proposed deficiency herein, added to petitioner's taxable income the amount of $106,471.73, representing an alleged profit realized upon the transfer of petitioner's assets to Grand Union Company, the tax so determined amounting to $11,587.64.

116 (5) As the matter came before the Board of Tax Appeals, the sole issue was whether petitioner realized a taxable gain of $106,471.73 as a result of the transactions above set forth.

(6) The matter came on for hearing before the Board of Tax Appeals at Washington, D. C., upon the petition of petitioner requesting the redetermination of the determination of the Commissioner of Internal Revenue. The answer of the Commissioner as respondent was duty filed and the case was at issue on the points as detailed above. The appeal was thereafter heard by the Board, the Honorable John A. Sternhagen sitting for the Board.

(7) The facts in the case were presented by stipulation. The case was presented to the Board of Tax Appeals upon the assumption by both the petitioner and the respondent that the state of facts stipulated indicated a statutory reorganization under Sec. 112 (i) (1) of the Revenue Act of 1928. Prior to the issuance of its decision, the Board indicated that it was in doubt as to whether the assumption of both parties that there had been a reorganization was correct; and petitioner's counsel was advised thereof and thereafter filed a memorandum upon that question. Thereafter and on the 30th day of June 1933 the Board of Tax Appeals made and filed its opinion (two members dissenting), wherein it was determined that there was no reorganization, and holding that petitioner was taxable on the difference between the value of the stock and cash received and the cost of the properties transferred.

(8) Thereafter the respondent, on July 29, 1933, filed a motion for rehearing "in order that the Commission may make claim for an increased deficiency", which motion was granted ex parte; and thereafter, and on November 8th, 1933, a proceeding was held pursuant to the granting of said motion, as a result of which the Board of Tax Appeals, on November 13, 1933, entered a judgment against the petitioner in the amount of $72,686.90 instead of $11,587.64, as found by the Commissioner.

(9) The petitioner, being aggrieved by said findings of the Board, opinion, decision, and orders, files this petition for a review thereof.

Assignments of error

Three: The errors committed by the Board of Tax Appeals, upon which the petitioner relies as a basis of this proceeding, are as follows:

(1) The Board erred in holding that the petitioner is taxable
117 on the difference between the value of the stock and cash transferred to it by Grand Union Company, and the cost of the properties transferred.

(2) The Board erred in holding that the petitioner realized a taxable gain in any amount whatsoever, as the result of the transactions above set forth and appearing in the stipulated facts.

(3) The Board erred in increasing the tax above that found by the Commissioner, since a timely motion for an increased deficiency was not filed by the respondent.

(4) The Board erred in holding that the transactions above set forth and appearing in the stipulated facts, did not constitute a reorganization, as defined in Sec. 112 (i) (1) of the Revenue Act of 1928.

(5) The Board erred in holding that the petitioner had failed to establish that there was no taxable gain, as a result of the transactions set forth in the stipulated statement of facts.

(6) The Board erred in holding that the payment of $426,842.52 to the stockholders of the petitioner did not constitute a distribution of the full amount pursuant to the plan of reorganization, as provided in Sec. 112 (b) (4) and Sec. 112 (d) of the Revenue Act of 1928.

(7) The Board erred in redetermining the deficiency in an amount not claimed by the respondent.

(8) The Board erred in granting the motion for rehearing, for the reason that the same was nothing more than a motion for leave to move for an increased deficiency, which said motion was not made at the hearing of the case.

(9) The Board erred in ordering that judgment should be entered under Rule 50, since judgment should have been entered in the amount of the deficiency determined by the respondent.

(10) The Board erred in rendering the decision for the respondent.

Wherefore your petitioner prays that this Honorable Court may review the action of the Board of Tax Appeals in this cause, reverse the decision of the Board and direct the entry of the decision by said Board in favor of the petitioner, determining that there is no deficiency in income tax for the year 1928 due from the petitioner; and for such other and further relief as may to this Court appear proper in the premises.

OSCAR MITCHELL,
Attorney for Petitioner.

118 [Duly sworn to by E. C. Peterson, jurat omitted in printing.]

Before U. S. Board of Tax Appeals

Notice of filing of petition for review

Filed February 5, 1934

To The Commissioner of Internal Revenue, Washington, D. C.:

Please take notice that the attached petition for review of the decision of the United States Board of Tax Appeals, in the above entitled matter, has been this day filed with the clerk of the United States Board of Tax Appeals.

Dated February 5th, 1934.

OSCAR MITCHELL,
Attorney for Petitioner,
1200 Alworth Building, Duluth, Minn.

Service of the above accepted on the 5th day of February, 1934:

E. BARRETT PRETTYMAN,
General Counsel,
Bureau of Internal Revenue.

119 In United States Circuit Court of Appeals for the Eighth Circuit

March Term, 1934

Wednesday, March 14, 1934

MINNESOTA TEA COMPANY, PETITIONER
vs.
COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

Order That Transcript of Proceedings be Included in Transcript on Appeal

Filed March 20, 1934, United States Board of Tax Appeals

The above-named petitioner having filed its verified petition herein, praying that this Court issue its order authorizing and directing the United States Board of Tax Appeals and the Clerk thereof to incorporate in the transcript on appeal heretofore taken to this Court the transcript of the proceedings before Honorable John M. Sternhagen, Member of the United States Board of Tax Appeals, at Washington, D. C., on November 8, 1933; and it appearing that the General Counsel, Bureau of Internal Revenue, on behalf of the Commissioner of Internal Revenue, Respondent, has consented that such transcript be included herein.

It Is Hereby Ordered That the United States Board of Tax Appeals and the Clerk thereof be, and they are hereby, ordered and directed to include and incorporate into the transcript on appeal herein the transcript of the proceedings before Honorable John M.

Sternhagen, Member of the United States Board of Tax Appeals, at Washington, D. C., on November 8, 1933, and the whole thereof.

Dated March 14th, 1934.

[Clerk's certificate to foregoing paper omitted in printing.]

120 Before the U. S. Board of Tax Appeals

Docket No. 54227

MINNESOTA TEA COMPANY, PETITIONER

vs.

COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

Transcript of Proceedings Before Hon. John M. Sternhagen Member of United States Board of Tax Appeals

Filed November 14, 1933

Hearing at Washington, D. C. Date, Nov. 8, 1933. Smith & Hulse, Official Reporters. U. S. Board of Tax Appeals, 1742 K Street NW., Washington, D. C.

Reporter's Minutes

Hearing at Washington, D. C., on the 8th day of November 1933, at 9:50 o'clock a. m.

The above-entitled cause came on for hearing on this the 8th day of November 1933, before Honorable John M. Sternhagen, member of the United States Board of Tax Appeals, at Washington, D. C., pursuant to notice of hearing heretofore given; whereupon the following proceedings were had, to-wit:

Appearances: C. J. McGuire, Esq. (916 Investment Bldg., Washington, D. C.), on behalf of the petitioner; George D. Brabson, Esq. (E. Barrett Prettyman, Esq., General Counsel, Bureau of
121 Internal Revenue), on behalf of the Commissioner of Internal Revenue, Respondent.

Proceedings

The MEMBER. What is to be done now?

Mr. MCGUIRE. There is very little to be done, your Honor, as I see it. The case is before your Honor this morning on rehearing. I would like, if I may, briefly, to restate the facts leading up to the situation as it stands today.

The MEMBER. I think I have the history of the case pretty clearly in my mind.

Mr. MCGUIRE. I am sure your Honor does.

The MEMBER. If you will tell me what you think the present status is, Mr. McGuire, what your rights are, I will hear you.

Mr. MCGUIRE. I would like to enter an objection before any proceedings are held this morning to the jurisdiction of the Board to proceed on a rehearing at this time. I object to the Board doing

anything other than entering a judgment in the amount of the deficiency shown in the sixty-day letter which is appended to the petition.

The MEMBER. That is in effect an exception to the denial of your motion.

Mr. MCGUIRE. This objection goes to the question of the jurisdiction of the Board to proceed at this time.

The MEMBER. Yes.

Mr. MCGUIRE. I also take exception, for the purpose of the record, to the action of the Board in granting the respondent's motion for a rehearing and in granting respondent's motion to file an amendment to his answer, both of which motions were granted ex parte.

The MEMBER. You may have your exception. Your objection is overruled.

Mr. BRABSON. I would like to state for the record, your Honor, in case of appeal, that the Board's opinion in this case was promulgated on June 20, 1933. Your Honor is, of course, familiar with the provisions of that opinion, the holding in that opinion, and I may state for the record that that opinion was reviewed by the Board.

In accordance with that opinion, it was indicated that the
122 petitioner in this case is liable to taxation upon whatever gain it had realized by the sale or exchange of its assets for cash and stock of the Grand Union Company.

In accordance with that opinion, the respondent thereupon and thereafter filed a motion for rehearing on July 29, 1933, asking specifically in that motion for authority to make claim for increased deficiency. That motion of respondent was granted on August 1, 1933.

The petitioner thereupon filed his motion to set aside the Board's order to that effect. That was filed on September 1, 1933, and was denied by the Board on September 29, 1933.

The respondent thereupon, in due course, filed, on October 25, 1933, his motion to file an amended answer, accompanied by the amended answer, in which the respondent made claim for the additional deficiency in accordance with the facts stipulated before the Board and in accordance with the Board's opinion.

I may say that that motion was accomplished by the respondent's amendment to the respondent's answer. That was granted by the Board under date of October 27, 1933.

So that I conceive the case stands before your Honor today on the motion for rehearing having been granted. Therefore, we are here today to retry this case to the extent that it is necessary to retry it. The respondent has amended his pleading in accordance with his motion. That is all that the respondent requested in this motion and that is all that respondent desires now. I, accordingly, at this time, close the respondent's case and submit it to your Honor for decision.

Mr. McGUIRE. If your Honor please, I move for judgment in the amount of $11,587.64, which is the tax liability shown in the sixty-day letter, because it is apparent that the respondent has turned this hearing into a Rule 50 hearing, and under three decisions by the Circuit Court of Appeals, the Board has no authority to increase a deficiency at a Rule 50 hearing.

I would like to cite some cases, if your Honor desires them.

The MEMBER. Those are the cases you cited?

Mr. McGUIRE. Two of them, but there is one additional one.

The MEMBER. What is the other one?

Mr. McGUIRE. State Consolidated Oil Company vs. Commissioner, decided by the Circuit Court of Appeals for the 9th Circuit.

123 The MEMBER. That is to the same effect as the Davidson case, in the 2nd Circuit?

Mr. McGUIRE. That is right, your Honor.

Mr. BRABSON. May I have the citation?

Mr. McGUIRE. I do not have the citation just now. It is State Consolidated Oil Company vs. Commissioner.

The MEMBER. Mr. Brabson, are the pleadings in your opinion now in shape for the entry of a final judgment?

Mr. BRABSON. I think they are, your Honor.

The MEMBER. In what amount? Where does the amount of the final judgment now appear?

Mr. BRABSON. I think, your Honor, that I had the impression that the respondent's recomputation had been filed. If not, I have it ready to file at this time. I take it, however, that the respondent would ask for the entry of an order in this case for judgment to be entered under Rule 50. If not, I can file at this time respondent's recomputation.

The MEMBER. I perhaps misunderstood your motion. I understood it was for the entry of judgment, and if it was I wanted to know whether the record is now in such shape that the amount of the judgment will be apparent from the record so that it can be entered.

Mr. BRABSON. Yes, your Honor, it is for entry of judgment. It is not apparent from the state of the record. I will then withdraw my motion for judgment, and will assume to state that the case is now submitted for the Board's determination.

Mr. McGUIRE. In the amendment to the answer there is a statement to the effect that there is a recomputation attached to it. I have no copy of that and no recomputation was ever served on me.

The MEMBER. The recomputation that was filed was not served on you?

Mr. McGUIRE. No, your Honor. It says:

"Respondent prays that the contentions of the petitioner be denied and that a deficiency in tax be redetermined against the taxpayer for the period January 1 to August 24, 1928, in accordance with the attached recomputation."

There was no recomputation attached.

124 The MEMBER. It seems to me there has been pretty sloppy work done here, because attached to the amendment to the re-

spondent's answer is what purports to be a carbon copy of some kind of a statement, and that statement results apparently in a deficiency in tax of $72,686.90. In the first place, a carbon copy ought not be filed with your answer. In the second place, the copy that is to be served on the other side ought to be attached to it. All the attachments should be filed with the Board.

Mr. BRABSON. I took it that it was the function of the Board to serve the copy of the answer.

The MEMBER. Yes; but the Board cannot serve it if it is not filed with the Board. My first criticism is that you sent a carbon copy with the original papers to be filed with the Board in the permanent docket of the Board.

Mr. BRABSON. I understand that, your Honor. I cannot conceive how that was done.

The MEMBER. That is my first criticism with regard to sloppy work.

Mr. BRABSON. I think that is quite deserved, your Honor.

The MEMBER. The second one is that my assumption is there was no copy appended to the copies to be served, and for that reason they were not served. Now, that may be incorrect, but that is the natural assumption.

Mr. BRABSON. Very true, your Honor.

The MEMBER. If that is so, of course we cannot enter judgment until the petitioner has had an opportunity to analyze and test the amount. So that a Rule 50 order would have to enter. If Mr. McGuire, on his analysis, finds that $72,000 is in accordance with the opinion, whether that opinion be right or wrong, justified or unjustified, it can be stipulated between you, and the case then taken to court.

Mr. MCGUIRE. I can do that right now, your Honor, in a minute. But I do not think your Honor has yet passed on my motion for judgment.

The MEMBER. No; I have not passed on your motion. I am inquiring, at the outset, as to whether the judgment is apparent on the face of the record. The petitioner's motion for judgment in the amount which is stated in the motion is denied.

125 Mr. MCGUIRE. I note an exception to that, your Honor.

The MEMBER. I think we ought to have the record show what the situation in this case is that leads up to this point, and it is this—that the case was presented upon an assumption on the part of both sides that the state of facts stipulated indicated a statutory reorganization. The case was submitted prior to the Supreme Court's decision in Pinellis Ice Company case, in which the definition of reorganization in the statute was considered, and a somewhat new light was thrown upon that definition. Certainly the definition which the Circuit Court of Appeals of the 5th Circuit had adopted was modified by the Supreme Court, and the decision of the 2nd Circuit Court of Appeals in the Corcoran Specialty Company case, taken with the Supreme Court decision in the Pinellis case, made it necessary to reconsider the construction of the statute.

That being so, it became a matter of doubt within the Board as to whether the hypothesis which the parties had adopted, namely, that there had been a statutory reorganization, was a sound hypothesis; and since it was in the realm of law and not of fact, the Board felt that it was not bound by the parties' own postulate. For that reason the parties were, as the Division, consisting of myself, thought, advised by their counsel to appear before the Division in order that that doubt might be made known and the parties given an opportunity to present their views about it before the Board decided it. In other words, it was uppermost in the minds of the Board that a question of law should not be decided to the surprise of both sides when they themselves had not given it consideration and had assumed that it was to be taken in a certain way.

With that in mind, and this case having been heard simultaneously with the case of the three shareholders of this petitioner, namely, the Petersons, it was overlooked that the Minnesota case had Mr. Brabson for the Respondent's counsel, while in the Peterson case Mr. Savoy was the respondent's counsel, all the cases being tried by Mr. McGuire for the petitioners. Mr. Savoy and Mr. McGuire were asked to come in. Mr. Babson was not asked to come in.

Since the question that was raised in the mind of the Board was a question which tended only to operate adversely to the petitioner, there was no prejudice, insofar as the petitioner was con-
126 cerned, because its counsel was the same in both cases and he was made fully aware of the question and given an opportunity to brief it. He did brief it, by a printed brief; and the respondent's counsel in the Peterson cases filed something that he called a memorandum of law, which was all, apparently, he wanted to file in any event, and so the question was presented in issue. After considering that issue, the Board decided that there was no statutory reorganization and that, so far as the record shows, was the first time that counsel for respondent in the Minnesota case was aware of that question being in the case. Now, had he been called in, in the first place, when he should have been called in, the assumption is that he would have amended his pleading then or—

Mr. McGuire. Then I wish to object anyway, your Honor.

The Member. There is no occasion for you to object to anything that I say. I am not making a ruling.

Mr. McGuire. Do I understand this to be a record being made?

The Member. Yes.

Mr. McGuire. Then I wish to object anyway, your Honor.

The Member. Very well; you may object at the close of my remarks.

The assumption that I must indulge is that counsel would have done what properly he should have done had he been aware of the situation, namely, to move for permission to amend his answer so as to effectuate to the fullest extent any decision which might come from the Board; but, not being present at that time, and having been unaware of the further proceedings, no such motion to amend

was made. With reasonable promptness after the decision of the Board was rendered, the amendment to the answer was filed, or rather the motion to amend the answer for the purpose of claiming an increase in the deficiency to the extent that might result from the application of the doctrine that the Board announced, was filed. It was an obviously fair, just, and valid request. There seemed no occasion for a hearing on it. The statute expressly provides that the Board shall have jurisdiction to order an increase in the deficiency if claim therefor is made at or before the hearing or any rehearing.

So that there is a clear Congressional intent that rehearings
127 are within the scope of the Board's proceedings. For that reason, the motion to amend for the sole purpose of making a claim for an increase in the deficiency was granted. The answer was filed, and the case was then assigned for rehearing, which, of course, is limited to the purpose of the motion.

The petitioner has at all times objected to this procedure on the part of the Board, has resisted any further conduct of the case, has resisted any increase in the deficiency, and still resists. At all stages the petitioner's objections have been overruled, and they are now overruled; and if it is agreed between the parties that the proper computation which will effectuate the Board's opinion is embodied in this statement attached to the answer, amounting to $72,686.90, the judgment will be entered in that amount, with proper exception to the petitioner.

Mr. McGUIRE. I do not contest that figure, your Honor; but I object to any judgment being entered in any amount greater than the amount of $11,000.

Mr. BRARSON. If your Honor please, I submit such a recomputation at this time. A copy of it has been served upon counsel for the petitioner.

The MEMBER. In view of the fact that petitioner now feels he has had ample opportunity to consider the amount and does not dispute it, then judgment will be entered for that amount in the course of the day.

Mr. McGUIRE. I would like to know, your Honor, if I can make a short statement in answer to the statement your Honor made. I will state it off the record if you desire.

The MEMBER. No; you can state it on the record.

Mr. McGUIRE. I want the record to show that I understood and Government counsel understood that we were dealing with the Peterson cases, and the so-called memorandum of law which your Honor referred to which was filed was filed after Mr. Savoy's and my discussion with your Honor after the decision of the Pinellis and Specialty Company cases. That memorandum or purported memorandum--

The MEMBER. Yes; but the hearing was had.

Mr. McGUIRE. Yes; and that memorandum, as I understand it, is not a part of the record in this case, but it did concede that the Gen-

eral Counsel still considered this nontaxable reorganization, and stated in there that his decision, as reflected in the sixty-day
128 letter, was not affected in any way, in his opinion, by the decisions in the Pinellis and Corcoran Specialty Company cases. Now, if that memorandum is going to be injected into the case, I would like to have that clearly indicated in the record.

The MEMBER. Yes; I think it should be clear. I will say this about it, that these cases, so far as my own understanding of the situation is concerned, involved essentially the same question. They grew out of the question whether this was a reorganization, and if there was a reorganization, the tax liability of the Tea Company, as well as the tax liability of these shareholders, were obviously affected. I say obviously in order to avoid any idea that you might have to look at both of them and analyze the situation carefully to see whether one was affected and the other was not. On the very face of things, both the shareholders and the corporation were affected.

In my opinion there is no basis in reason for an attitude of differentiation by the same counsel in both cases as between the desire to apply the same principle to the corporation as to the individuals; and if there is an understanding, or was an understanding, on the part of the petitioner's counsel that he was dealing only with the Peterson case, then I say that understanding is wholly unjustified, and I cannot reconcile it with an intelligent attitude. I think an intelligent attitude would have understood that all of the effect of that question was upon both the shareholders and the corporation.

Mr. MCGUIRE. May I speak, your Honor, in view of that statement?

The MEMBER. Yes.

Mr. MCGUIRE. Your Honor denied a motion to consolidate these cases and stated that your Honor would not consider them together, when counsel for respondent, Mr. Savoy, objected to them being consolidated.

The MEMBER. That is, they would not be heard together.

Mr. MCGUIRE. They would not be heard and would not be consolidated, your Honor. That is the reason for my intelligent understanding.

The MEMBER. That is wholly consistent. The trial of the case involved different facts as to the shareholders from the facts
129 as to the corporation, but the question as to the extent to which the statutory definition of reorganization impinges upon the case was precisely the same with respect to the shareholders as with respect to the corporation; so that while the trial of the two cases should have been separated, the result of the supplemental question did not involve any separation. All that is in the realm of reason and understanding, and there is room for a difference of view as to how it could be understood.

Mr. MCGUIRE. There is a difference in this matter. If we appeal one case and do not appeal the other, we only go up on the record in one case and not on the record in the other case.

The MEMBER. It is inconceivable that there will be an appeal in one of these cases and not in the other.

Mr. McGUIRE. I will say that very thing is under consideration.

The MEMBER. There may be practical reasons, but there is no legal distinction. If this Board is wrong in its definition of statutory reorganization, that error redounds to the benefit of the shareholders as well as to the corporation.

However, I think the record is clear now as to where everybody stands. I am not saying anything by way of criticism.

Mr. McGUIRE. Except I would like to have the record show that I would not even concede that if the General Counsel, Mr. Brabson, had been called in when Mr. Savoy and I were called in, he would then have had an opportunity to amend his answer and ask for an increased deficiency, because the pleadings had been closed, and it was then too late. So, regardless of whether or not he was diligent, as I assume he would have been and as your Honor assumes he would have been, I would like the record to show it is my opinion that it was then too late for him to make any motion or ask any increased deficiency.

The MEMBER. I understand that. Judgment will be entered for the amount of $72,686.90.

Mr. McGUIRE. Did your Honor note my objection and give me an exception.

The MEMBER. Yes. Your objection is overruled and you may have an exception.

130 (The above and foregoing are all of the proceedings had in the above-entitled matter; whereupon, at 10:20 o'clock a. m., the hearing was concluded.)

Before U. S. Board of Tax Appeals

Praecipe for Transcript

Filed March 10, 1934

To: E. Barrett Prettyman, Esquire, General Counsel, Bureau of Internal Revenue, Washington, D. C.

Please Take Notice That the petitioner in the above-entitled proceeding designates the following portions of the Record in this cause to be incorporated into the transcript on its appeal:

1. Docket entries of the proceedings before the Board of Tax Appeals.
2. Pleadings before the Board of Tax Appeals.
3. Agreed statement of facts.
4. Opinion and decision of the Board of Tax Appeals.
5. Respondent's motion for rehearing and order thereon.
6. Petitioner's motion to set aside order granting respondent's motion for rehearing.
7. Rule 50 computation.
8. Petition for Review and proof of service.

10. Transcript of proceedings before Board of Tax Appeals on November 8, 1933.
11. Judgment.
12. This praecipe.

The foregoing transcript to be prepared conformably to law and the rules of the United States Circuit Court of Appeals for the Eighth Circuit.

Please Take Further Notice That on the ------ day of ------, 1934, at 9:30 o'clock a. m., I shall move that the above por-
131 tions of the Record, as designated, be incorporated in the transcript on appeal heretofore taken to the United States Circuit Court of Appeals for the Eighth Circuit.

Respectfully,

(Sgd.) OSCAR MITCHELL,
Attorney for Petitioner,
1200 Alworth Building, Duluth, Minnesota.

Dated March 10, 1934.

[Clerk's certificate to foregoing transcript omitted in printing.]

In United States Circuit Court of Appeals for the Eighth Circuit

[Title omitted.]

Order that transcript of proceedings be included in transcript on appeal

132 The above-named petitioner having filed its verified petition herein, praying that this Court issue its order authorizing and directing the United States Board of Tax Appeals and the Clerk thereof to incorporate in the transcript on appeal heretofore taken to this court the transcript of the proceedings before Honorable John M. Sternhagen, Member of the United States Board of Tax Appeals, at Washington, D. C., on November 8, 1933; and it appearing that the General Counsel, Bureau of Internal Revenue, on behalf of the Commissioner of Internal Revenue, Respondent, has consented that such transcript be included herein,

It Is Hereby Ordered That the United States Board of Tax Appeals and the Clerk thereof be and they are hereby ordered and directed to include and incorporate into the transcript on appeal herein, the transcript of the proceedings before Honorable John M. Sternhagen, Member of the United States Board of Tax Appeals, at Washington, D. C., on November 8, 1933, and the whole thereof.

Dated March 14, 1934.

Consent of respondent

The undersigned, on behalf of the Commissioner of Internal Revenue, respondent herein, does hereby consent that the United States Circuit Court of Appeals for the Eighth Circuit may sign and issue

the foregoing order, upon presentation thereof by counsel for the petitioner, without notice or hearing thereon.

Dated this 10th day of March 1934.

ROBERT H. JACKSON,
Attorney for Commissioner of Internal Revenue, Respondent.

In United States Circuit Court of Appeals for the Eighth Circuit

[Title omitted.]

Petition for inclusion of transcript of proceedings of November 8, 1933, in record on appeal

Filed March 14, 1933

133 To the Honorable Judges of the United States Circuit Court of Appeals for the Eighth Circuit:

Your petitioner, Minnesota Tea Company, respectfully petitions and shows to the Court as follows:

On November 13, 1933, the United States Board of Tax Appeals entered a judgment against the petitioner herein in the amount of $72,686.90, being the deficiency in said amount in petitioner's income tax for the period January 1, 1928, to August 24, 1928. To obtain a review of said action of the Board of Tax Appeals and of its decision thereon, petitioner has caused to be filed all the necessary papers and documents, including a petition for review by this Court.

Among the errors assigned by petitioner in its said petition for review is the following:

"(8) The Board erred in granting the motion for rehearing, for the reason that the same was nothing more than a motion for leave to move for an increased deficiency, which said motion was not made at the hearing of the case."

Also the following assignment of error:

"(9) The Board erred in ordering that judgment should be entered under Rule 50, since judgment should have been entered in the amount of the deficiency determined by the respondent."

The judgment so to be reviewed herein is in words and figures as follows:

"Judgment

"This proceeding duly came on for rehearing, over petitioner's objection, whereupon respondent moved for judgment in accordance with his amended answer in the amount of $72,686.90, the computation of which petitioner agrees is in accordance with the Board's opinion. The petitioner contests both the jurisdiction and propriety of the Board to enter such a judgment, and moves instead for the entry of judgment of $11,587.64, the amount of the deficiency originally determined. This counter motion is denied. It is

"Ordered, adjudged, and decided that there is a deficiency of $72,686.90 in petitioner's income tax for the period January 1, 1928, to August 24, 1928.

"Entered 11/13/33.

[SEAL] (Sgd.) JOHN M. STERNHAGEN,
Member.

134 The Court will note that the proceeding on which said judgment was ordered is called a "rehearing" in said judgment. This proceeding took place before the Honorable John M. Sternhagen, member of the United States Board of Tax Appeals, at Washington, D. C., pursuant to notice of hearing given, on the 8th day of November 1933, and at said hearing there were appearances on behalf of the petitioner and on behalf of the respondent.

Said proceeding consisted of certain motions on behalf of the petitioner and certain motions on behalf of the respondent, together with statements of the contentions of said petitioner and the rulings of the Board of Tax Appeals thereon.

It is the contention of the petitioner that said hearing of November 8th, 1933, was a motion for leave to move for an increased deficiency; that said motion was not timely nor proper, and that said United States Board of Tax Appeals had no jurisdiction to grant such a motion for an increased deficiency for the reason that said motion was not made at a hearing or rehearing of the case.

It therefore becomes necessary, in order to present these questions to this Court and to urge the points involved in assignments of erorr numbered 8 and 9 above quoted, that a transcript of the proceedings before the United States Board of Tax Appeals on November 8, 1933, be included in the record to be filed with this Court.

Petitioner has duly served upon the respondent and has caused to be filed a præcipe, in which the transcript of proceedings before the Board of Tax Appeals on November 8, 1933, is designated to be incorporated into the transcript on said appeal.

That the United States Board of Tax Appeals, through its clerk, has indicated that it will not incorporate the transcript of said proceedings of November 8th, 1933, in the record on said appeal without an order of this Court.

Wherefore petitioner prays that this Court issue its order authorizing and directing the United States Board of Tax Appeals and the Clerk of said Board to incorporate in the transcript on appeal heretofore taken to this Court, the transcript of proceedings before the Honorable John M. Sternhagen, member of the United States
135 Board of Tax Appeals, on November 8th, 1933, at Washington, D. C., as designated in the præcipe herein.

MINNESOTA TEA COMPANY,
By E. C. PETERSON, *President,*
Petitioner.

[File endorsement omitted.]

[*Duly sworn to by E. C. Peterson, jurat omitted in printing.*]

136–137 [Appearances of counsel omitted in printing.]

138 IN UNITED STATES CIRCUIT COURT OF APPEALS, EIGHTH CIRCUIT

[Title omitted.]

Minute entry, Nov. 27, 1934

These causes, Nos. 10031, 10032, and 10033, having been called for hearing in their regular order, are argued together, and argument was commenced by Mr. Homer Hendricks for petitioners, and the hour for adjournment having arrived further argument was postponed until tomorrow morning.

139 IN UNITED STATES CIRCUIT COURT OF APPEALS

Minute entry, Nov. 28, 1934

These causes, Nos. 10031, 10032, and 10033, having been called for further hearing, argument was resumed by Mr. Homer Hendricks and by Mr. James G. Nye for petitioners and concluded by Mr. J. Louis Monarch, Special Assistant to the Attorney General, for respondent.

Thereupon, these causes were submitted to the court on the transcripts of the records from said Board of Tax Appeals and the briefs of counsel filed herein.

140 In United States Circuit Court of Appeals,
Eighth Circuit

No. 10,031. March term, A. D. 1935

MINNESOTA TEA COMPANY, PETITIONER

vs.

COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

Petition to review decision of United States Board of Tax Appeals

March 25, 1935

Mr. Homer Hendricks and Mr. James G. Nye (Mr. Oscar Mitchell, Mr. C. J. McGuire, Messrs. Mitchell, Gillette, Nye, and Harries, and Messrs. Miller and Chevalier were with them on the brief), for petitioner; Mr. J. Louis Monarch, Special Assistant to the Attorney General (Mr. Frank J. Wideman, Assistant Attorney General, and Mr. Maurice J. Mahoney, Special Assistant to the Attorney General, were with him on the brief), for respondent; Mr. Ellsworth C. Alvord and Mr. Edward H. McDermott submitted brief amicus curiae.

Before SANBORN, WOODROUGH, and BOOTH, Circuit Judges

Opinion

141 BOOTH, Circuit Judge, delivered the opinion of the court.

This is a petition for review of a decision of the Board of Tax Appeals.

The decision and the order based thereon redetermined a deficiency in the income tax of petitioner for the period of January 1, 1928, to August 24, 1928, in the sum of $72,686.90.

The salient facts stipulated before the Board of Tax Appeals and leading up to the decision and order of redetermination are substantially as follows: the petitioner is a Minnesota corporation and was, until the transfer of its assets hereinafter mentioned, engaged in the business of selling teas, coffees, and groceries at retail. All of its stock was owned by three individuals.

In July and August 1928 it negotiated and completed a transfer of its business to the Grand Union Company, and, leaving out of consideration a preliminary disposition of certain real estate and assets not of vital importance in the present controversy, it made the transfer of its assets and business, pursuant to a plan described as a reorganization plan and approved by its board of directors and by its stockholders, in substantially the following manner: it turned over all of its property to Grand Union Company, receiving in exchange $426,842.52 cash and voting-trust certificates representing 18,000 shares of the no-par common stock of Grand Union Company having a market value of about $30 a share, or a total of $540,000.

The $426,842.52 cash was distributed immediately to the three stockholders of the Minnesota Tea Company, and they assumed and paid liabilities of that company amounting to $106,471.73, leaving them net $320,370.79. The voting-trust certificates were retained and continued to be held by the Minnesota Tea Company.

The respondent, Commissioner of Internal Revenue, held that the word "distribute", as used in section 112 (d) (2) of the 1928 Revenue Act should be interpreted to mean a distribution to stockholders to be used for their own benefit, and not a distribution to or for the benefit of creditors; and that the Minnesota Tea Company did not distribute the cash received by it to the extent of the amount of its debts, namely, $106,471.73.

142 The Commissioner further held that there was a deficiency in the income tax of the Minnesota Tea Company in the sum of $11,587.64.

The Commissioner also held that the transfer from the Minnesota Tea Company to the Grand Union Company was a "reorganization", as set out in section 112 (i) (1) (A) of the 1928 act, "in that it was the acquisition by one corporation of all the properties of another corporation." The Commissioner cited G. C. M. 3827, VII-2 C. B. 114.

The matter was thereafter brought before the Board of Tax Appeals for review upon the issue whether the petitioner had realized a taxable gain of $106,471.73 as a result of the transactions above set forth.

The petition and the answer before the Board of Tax Appeals did not raise any issue as to "reorganization." The Board of Tax Appeals, however, of its own motion, raised the question whether there had been effected a statutory reorganization, and in its decision held that there was no reorganization, and held, further, that the petitioner by said transaction realized a gain measured by the difference between $254,646.62, the cost of its property, and $966,842.52 (being the sum of $426,842.52 cash and $540,000, the value of the 18,000 shares of the Grand Union Company); and the Board of Tax Appeals further held that this gain of $712,195.90 was taxable. This decision of the Board of Tax Appeals was promulgated June 30, 1933.

Thereafter, the following proceedings were had before the Board of Tax Appeals. On July 29, 1933, respondent Commissioner filed a "motion for rehearing", which motion was granted ex parte.

Petitioner thereafter filed a motion to set aside the order granting the rehearing. This motion was denied.

October 25th respondent filed a "motion for leave to file an amended answer." The motion was granted.

In the answer filed, the respondent made claim for the additional deficiency in accordance with the decision of the Board of Tax Appeals.

143 At a hearing on November 8, 1933, respondent's motion for an increased deficiency was allowed, and thereafter, on November 13, 1933, an order of redetermination was entered fixing the amount of the deficiency in petitioner's income tax for the period January 1, 1928, to August 24, 1928, at $72,686.90.

The present petition for review followed in due course.

Several questions are presented by this petition:

1. Whether the transaction heretofore described involving the transfer of assets from the Minnesota Tea Company to the Grand Union Company was a reorganization within section 112 (i) (1) (A) of the Revenue Act of 1928.

2. Whether, even though there was a reorganization, there was a distribution of all the cash received by the Minnesota Tea Company within the meaning of section 112 (d).

3. Whether the procedure before the Board of Tax Appeals in entertaining and allowing the motion for increased deficiency was within the jurisdiction of the Board of Tax Appeals, and was valid.

We turn to the first question.

THE WORDING OF THE STATUTE

Section 112 (i) (1) reads as follows:

"(i) Definition of reorganization.—As used in this section and sections 113 and 115—

"(1) The term 'reorganization' means (A) a merger or consolidation (including the acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation, or substantially all the properties of another corporation), or (B) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor or its stockholders or both are in control of the corporation to which the assets are transferred, or (C) a recapitalization, or (D) a mere change in identity, form, or place of organization, however effected."

144 The particular language of the section relied upon by petitioner as showing that there was a reorganization by the transaction between it and the Grand Union Company is "the acquisition by one corporation of * * * substantially all the properties of another corporation." The language is plain and unambiguous. The ascertainment of its meaning is simple.

In Adams Express Co. v. Kentucky, 238 U. S. 190, the Supreme Court said (p. 199):

"It is elementary that the first resort, with a view to ascertaining the meaning of a statute, is to the language used. If that is plain there is an end to construction and the statute is to be taken to mean what it says."

Such has been the doctrine announced in many cases: United States v. Shreveport Grain & Elev. Co., 287 U. S. 77, 83; Matson Navigation Co. v. United States, 284 U. S. 352, 356; Wilbur v. United States, 284 U. S. 231, 237; Corona Coal Co. v. United States, 263 U. S. 537, 540; United States v. Standard Brewery, Inc., 251 U. S. 210, 217; Pirie v. Chicago Title & Trust Co., 182 U. S. 438, 451; Price v. Forrest, 173 U. S. 410, 427; United States v. Goldenberg, 168 U. S. 95, 102.

The doctrine applies with especial force to tax statutes.

In Crooks v. Harrelson, 282 U. S. 55, the court said (p. 61):

"Finally, the fact must not be overlooked that we are here concerned with a taxing act, with regard to which the general rule requiring adherence to the letter applies with peculiar strictness. In United States v. Merriam, 263 U. S. 179, 187–188, after saying that 'in statutes levying taxes the literal meaning of the words employed is most important, for such statutes are not to be extended by implication beyond the clear import of the language used', we quoted with approval the words of Lord Cairns in Partington v. Attorney-General, L. R. 4 H. L. 100, 122, that 'if the Crown, seeking to recover the tax, cannot bring the subject within the letter of the law, the subject is free, however, apparently within the spirit of the

law the case might otherwise appear to be. In other words, if there be admissible in any statute, what is called an equitable con-
145 struction, certainly such a construction is not admissible in a taxing statute, where you can simply adhere to the words of the statute.'"

In Van Camp & Sons v. Am. Can Co., 278 U. S. 245, the Court used the following language (p. 253):

"The words being clear, they are decisive. There is nothing to construe. To search elsewhere for a meaning either beyond or short of that which they disclose is to invite the danger, in the one case, of converting what was meant to be open and precise, into a concealed trap for the unsuspecting, or, in the other, of relieving from the grasp of the statute some whom the legislature definitely meant to include."

If the language of the statute cannot be held conclusive of its meaning, let us briefly advert to other considerations.

ADMINISTRATIVE CONSTRUCTION

The language of the statute relative to reorganization upon which petitioner relies is found as far back as the Revenue Act of 1921 (Sec. 202 [c] [2]). It was reenacted by Congress in the Revenue Act of 1924, sec. 203 (h) (1); in the Revenue Act of 1926, sec. 203 (h) (1); and in the Revenue Act of 1928, sec. 112 (i) (1).

Administrative construction, in accord with and recognizing the literal meaning of the words, is to be found in official Regulations: Regulations 65 (1924 act) art. 1574, 1577; Regulations 69 (1926 act) art. 1574, 1577; Regulations 74 (1928 act) art. 574, 577; in published rulings of the Treasury: G. C. M. 3827, VII–2 C. B. 114; G. C. M. 1753, VI–1 C. B. 138; in Decisions of the Board of Tax Appeals: Tulsa Oxygen Co., 18 B. T. A. 1283; National Pipe & Foundry Co., 19 B. T. A. 242, 250; First Nat. Bank of Champlain, 21 B. T. A. 415, 422; Robert D. Green, 24 B. T. A. 719, 725.

This long-continued administrative construction of the language of the definition and the repeated reenactments by Congress without change lead to the application of a well-established principle.

In United States v. Hermanos y Companía, 209 U. S. 337, the Court thus stated the applicable principle of law (p. 339):

"We have said that when the meaning of a statute is doubtful great weight should be given to the construction placed upon
146 it by the department charged with its execution. Robertson v. Downing, 127 U. S. 607; United States v. Healey, 160 U. S. 136. And we have decided that the reenactment by Congress, without change, of a statute, which had previously received long continued executive construction, is an adoption by Congress of such construction. United States v. Falk, 204 U. S. 143, 152."

See also Old Mission Portland Cement Co. v. Helvering, 79 L. Ed. 170; Helvering v. Bliss, 293 U. S. 144; Zellerbach Paper Co. v. Helvering, 293 U. S. 172, 178; United States v. Dakota-Montana Oil Co.,

288 U. S. 459; Mass., etc., Ins. Co. v. United States, 288 U. S. 269; Old Colony R. Co. v. Commissioner, 284 U. S. 552; Poe v. Seaborn, 282 U. S. 101; Wisconsin v. Illinois, 278 U. S. 367, 413; National Lead Co. v. United States, 252 U. S. 140; Logan v. Davis, 233 U. S. 613; Edward's Lessee v. Darby, 12 Wheat. 206.

INTENT AND PURPOSE OF CONGRESS

We do not find anything in the surrounding circumstances attendant upon the enactment of sec. 202 (c) (2) of the Revenue Act of 1921 defining "reorganization" which indicates that Congress was not well informed on the subject matter of the enactment.

"Reorganization" tax problems were not new at that time. Cases had arisen under the Revenue Acts of 1909, 1913, and 1916. The Congressional Records show that Congress had the benefit of the knowledge and experience of the Treasury Department in the preparation of the 1921 Revenue Act.

The language relied upon by petitioner in the case at bar, heretofore quoted, and placed in the Revenue Act of 1921, has been continued in the Revenue Acts of 1924, 1926, and 1928. Clause (B) in section 112 (i) (1) of the Revenue Act of 1928 first appeared in section 203 (h) (1) of the Revenue Act of 1924. We find no indication that clause (B) was intended as a modification of clause (A) or any part thereof. On the contrary, what clause (B) was intended to accomplish and did accomplish was to add a further group of cases to the definition of "reorganization."

The Ways and Means Committee explained the addition of clause (B) in the following language (H. Rept. No. 179, 68th Congress, 1st session, p. 16):

147 "Section 203 (h):

"(1) Subdivision (h) (1) contains a definition of reorganization which corresponds to the definition contained in section 202 (c) (2) of the existing law. The only change in the definition is to include within its terms the case of a transfer by a corporation of all or a part of its assets to another corporation, if immediately after the transfer the transferor or its stockholders, or both, are in control of the corporation to which the assets are transferred. This is a common type of reorganization, and clearly should be included within the reorganization provisions of the statute."

It is significant that Congress in 1924 did not merely amend clause (A). It retained clause (A) as it was in the Revenue Act of 1921 and specifically added a new clause covering a different group of cases, clause (B).

This same view has been taken by the Bureau of Internal Revenue. In G. C. M. 1753, VI–1 C. B. 138, the general counsel for that Bureau said (in 1927):

"Section 203 (h) (1) (A) is not inconsistent with section 203 (h) (1) (B). One supplements the other. For example, a transfer of all the assets of a corporation constitutes a reorganization under

the second part of definition (A), irrespective of the element of 80-percent control demanded by definition (B). Again, a transfer of but a part of the assets of a corporation can never, of itself, result in a reorganization under section 203 (h) (1) (A), but it does result in a reorganization under section 203 (h) (1) (B) if there is present an additional element, namely, immediate control of the transferee corporation by the transferor or its stockholders, or both."

A similar view has recently been taken by the Circuit Court of Appeals for the Fourth Circuit in the case of C. H. Mead Coal Co. v. Commissioner, 72 F. (2d) 22, the court saying (p. 27):

"The taxpayer's contention in this court is founded upon the view that the case involves no more than a transfer by a corporation of all of its property to another corporation, within the meaning of clause (B) of section 203 (h) (1), and that since neither the
148 old companies nor their stockholders retained control of the new corporation, there was no reorganization within the meaning of the section. It is urged in support of this view that the parenthetical words of clause (A), 'including the acquisition by one corporation of * * * substantially all the properties of another corporation', may not be read so broadly in respect to the acquisition of property for stock as to nullify clause (B) dealing with the transfer of property for stock. And it is said that we are here concerned with a transfer of property within clause (B) rather than an acquisition of property in a transaction partaking of the nature of a merger or consolidation, because the property was sold under foreclosure at the insistence of the mortgagee, and not by voluntary act of the stockholders, even though the plan for refinancing the enterprise emanated from them.

"Insofar as this argument suggests that clause (B) of section 203 (h) (1) modifies or restricts the application of clause (A), we think it has been definitely repudiated by the Supreme Court." (Citing Pinellas Ice & Cold Storage Co. v. Commissioner, 287 U. S. 462, 469.)

The court further said (p. 29):

"* * * we reach the conclusion that the provisions of clause (A) of the section are to be given their normal meaning and are not restricted by the subsequent provisions of clause (B) so as to make it necessary that in the case of a merger or consolidation, in which there is an acquisition by one corporation of substantially all the properties of another corporation, there must also be a control in the new corporation by the old corporation, or its stockholders, to the extent of the ownership of 80 per cent of the voting stock."

See also Watts v. Commissioner (CCA 2), opinion filed March —, 1935.

But the Board of Tax Appeals, in its majority opinion in the case at bar, has taken a different view. In effect, the majority opinion modifies the last portion of clause (A) reading: "or substantially all the properties of another corporation", by adding thereto the condition borrowed from clause (B) and reading: "if imme-

diately after the transfer, the transferor or its stockholders or both are in control of the corporation to which the assets are transferred."

We do not think such limitation of the language in clause (A) is permissible. The restriction on clause (A) thus made by the Board of Tax Appeals is sought to be justified by the decisions in the cases of Pinellas Ice & Cold Storage Co. v. Commissioner, 287 U. S. 462, and Cortland Specialty Co. v. Commissioner, 60 F. (2d) 937. We do not think the cases cited justify the conclusion reached in the majority opinion of the Board of Tax Appeals.

In both the Pinellas Ice case and the Cortland Specialty case, the exchange was of property for cash and short-time notes. The real question was whether these short-time notes could be considered as securities. In the Courts of Appeals it was held in both cases that the short-time notes could not be considered as securities within the provisions of section 203 (b) (3) and (e) of the Revenue Act of 1926. The opinions in both cases contained discussions as to meaning of the word "reorganization" as used in the statute.

The Pinellas Ice case went to the Supreme Court and was there affirmed; but the Supreme Court in its discussion of the meaning of the word "reorganization" disapproved the definition of the word given by the Circuit Court of Appeals as being too narrow, and cited with approval the conclusion reached by the Circuit Court of Appeals for the Second Circuit in the Courtland Specialty case.

But in no one of the three discussions do we find support for the holding of the Board of Tax Appeals in the case at bar. Tersely the Supreme Court in the Pinellas Ice case said (p. 470):

"Certainly, we think that to be within the exemption the seller must acquire an interest in the affairs of the purchasing company more definite than that incident to ownership of its short-term purchase-money notes."

Furthermore, we think that the broad general purposes of Congress, to favor business transactions including exchanges and sales of assets; to make the statutes more definite, certain, and specific; to reduce the necessity of litigation; to plan for deferments of taxes rather than exemptions, and to disallow technical losses; to rely upon the provisions of section 113 (Revenue Act of 1928) to prevent misuse of the gain and loss provisions of section 112—point to the construction of the statute which we have above indicated.

The Board of Tax Appeals apparently thought that the intent of Congress required that there should be in a reorganization a continuance of the same actual ownership of substantially the same properties.

We find nothing in clause (A) about the necessity for a continuing interest. That requisite is found as an implication from the provisions of section 112 (b) (3) and (b) (4) relative to the consideration consisting solely of stocks and securities. But those provisions are to be read in connection with section 112 (d). No par-

ticular percentage of the stock of the transferee to be received by the transferor is specified or required. We find no ground for holding that the "continuance of interest" must be of essentially the same interest, or that it must be a controlling interest. The provision for percentage of stock to be received, specified in clause (B) reorganizations, has no application here.

Nor was dissolution required on the part of the petitioner. It would seem that section 112 (g) expressly recognizes that no dissolution is necessary. Dissolution has not been required since 1922 by the administrative construction of the statute or by the courts. G. C. M. 3291, VII-1 C. B. 208; Pinellas Ice & Cold Storage Co. v. Commissioner, supra; C. H. Mead Coal Co. v. Commissioner, supra.

We hold that the transaction between petitioner and the Grand Union Company was a reorganization within the meaning of the language used in section 112 (i) (1) (A) of the Revenue Act of 1928, reading as follows: "the acquisition by one corporation of * * * substantially all the properties of another corporation."

In view of our holding on the first question presented, we do not find it necessary to consider and determine the third question. We have assumed, but without deciding, that the procedure was regular.

Nor do we think it advisable to pass upon the second question in the absence of a ruling on the merits thereof by the Board of Tax Appeals.

151 The petition for review is granted, the order of redetermination of the Board of Tax Appeals is reversed, and the cause is remanded with instructions for further proceedings not inconsistent with the foregoing opinion.

Dissenting opinion

WOODROUGH, Circuit Judge, dissenting.

The controlling facts in this case are very simple. The Minnesota Tea Company had negotiations for the sale of its stock of merchandise, its receivables, and the good will of its business at a price sufficient to make it a profit of more than seven hundred thousand dollars above the statutory cost of the items, and it decided to make the sale. It evidenced its decision on July 2, 1928, by giving its option contract to sell the property specified, expressly excluding its buildings, fixtures, and real estate, which the purchaser apparently did not want. The option was amended in particulars not material here, and having been duly exercised, a sale was consummated in conformity with it as of the date of August 4, 1928. The sum of $426,842.52 was paid in cash, being $172,195.90 more than the statutory cost to the Tea Company. In addition, the Tea Company received 18,000 shares of the common stock of the purchaser, the Grand Union Company, then being sold on the New York Stock Exchange for around 30, and so worth $540,000.00. There was an agreement

that the Tea Company would not dispose of the Grand Union Company stock within a year.

Instead of reporting and paying tax on the seven hundred thousand dollar profit which it derived from the sale, the Tea Company has claimed the whole profit to be exempt, because, it says, the transaction was a reorganization within the purview of section 112 of the Revenue Act of 1912. Its claim is: (1) That there was an acquisition by the Grand Union Company of all the properties of the Tea Company; and (2) The Tea Company took some of the purchase price in stock of the purchaser and because those two elements were present in the transaction there was a reorganization and its gains are exempt from taxation.

(1) In order to make it appear that there was "the acquisition by one corporation of * * * substantially all the properties of another corporation" according to the wording of the statute, the Tea Company went through the following forms of operation
152 after it had given its option contract covering the part of its property that its purchaser wanted (the items are detailed in the record, filling fifty pages). It proceeded to organize a corporation called "the Peterson Investment Company" and transferred to that corporation all its buildings and real estate and every other one of its assets which the purchaser was not buying in the sale—the purchaser agreeing to rent some of the real estate but not to buy any of it.

The stock of the new corporation was issued to the stockholders of the Tea Company and so no real change of beneficial ownership in any propery was occasioned, but when all the assets which the Tea Company had not agreed to sell were by this device gotten out of its hands the Tea Company deemed itself in position to assert its claim that the sale it was making was a sale of all its property; that the transaction was one in which there was "acquisition by one corporation of substantially all the property of another."

I think the disguising of the true nature of the sale by this procedure is exactly the same in principle as that considered and exploded by the Supreme Court and the Circuit Court of Appeals of the Second Circuit in the case of Gregory (cited Helvering v. Gregory, 69 F. (2d) 809; Gregory v. Helvering, — U. S. —, decided Jan. 7, 1935.) In that case there was a chance to sell certain assets belonging to a corporation of which the taxpayer was the sole owner; but if the corporation had turned the assets over to the taxpayer so that she could sell them, or if the corporation had sold the assets and given the taxpayer the money, in either event there would have been a surtax to pay on the dividend. Accordingly, a new corporation was organized, to which the specified assets were transferred, and the stock of the new company was issued to the taxpayer. The taxpayer said that the transaction was a reorganization because there was "a transfer by a corporation of * * * a part of its assets to another corporation" in such circumstances that immediately thereafter "the transferor or its stockholders * * * are in control of the corporation to

which the assets are transferred." She said that since the transaction was a reorganization, her gain (i. e., the stock she received in the new corporation) should not be recognized, because the stock of
153 the new corporation was "distributed in pursuance of a plan of reorganization." The new corporation distributed the specified assets to the taxpayer as a liquidating dividend and then went out of business and the taxpayer thought she had evaded the tax on the dividend.

The Circuit Court of Appeals held that even though the facts answered the dictionary definitions of each term used in the statutory definition, there was not presented what the statute means by "reorganization", because the transactions were no part of the conduct of the business of either or both companies; so viewed they were a sham. The Supreme Court said:

"It is earnestly contended on behalf of the taxpayer that since every element required by the foregoing subdivision [sec. 112 i (1) (B)] is to be found in what was done, a statutory reorganization was effected; and that the motive of the taxpayer thereby to escape payment of a tax will not alter the result or make unlawful what the statute allows. It is quite true that if a reorganization in reality was effected within the meaning of subdivision (B), the ulterior purpose mentioned will be disregarded. The legal right of a taxpayer to decrease the amount of what otherwise would be his taxes, or altogether avoid them, by means which the law permits, cannot be doubted United States v. Isham, 17 Wall. 496, 506; Superior Oil Co. v. Mississippi, 280 U. S. 390, 395–6; Jones v. Helvering, 71 Fed. (2d) 214, 217. But the question for determination is whether what was done, apart from the tax motive, was the thing which the statute intended. The reasoning of the court below in justification of a negative answer leaves little to be said.

"When subdivision (B) speaks of a transfer of assets by one corporation to another, it means a transfer made 'in pursuance of a plan of reorganization' [sec. 112 (g)] or corporate business, and not a transfer of assets by one corporation to another in pursuance of a plan having no relation to the business of either, as plainly is the case here. Putting aside, then, the question of motive in respect of taxation altogether, and fixing the character of the proceeding by what actually occurred, what do we find? Simply an operation having no business or corporate purpose—a mere device which put on the form of a corporate reorganization as a disguise for concealing its real character, and the sole object and accomplishment of which was
154 the consummation of a preconceived plan, not to reorganize a business or any part of a business, but to transfer a parcel of corporate shares to the petitioner. No doubt a new and valid corporation was created. But that corporation was nothing more than a contrivance to the end last described. It was brought into existence for no other purpose; it performed, as it was intended from the beginning it should perform, no other function. When that limited function had been exercised it immediately was put to death.

"In these circumstances the facts speak for themselves and are susceptible of but one interpretation. The whole undertaking, though conducted according to the terms of subdivision (B), was in fact an elaborate and devious form of conveyance masquerading as a corporate reorganization, and nothing else. The rule which excludes from consideration the motive of tax avoidance is not pertinent to the situation, because the transaction upon its face lies outside the plain intent of the statute. To hold otherwise would be to exalt artifice above reality and to deprive the statutory provision in question of all serious purpose."

So in this case there is nothing to indicate that the organization of the Peterson Investment Company and the transfer to it of the Tea Company's property had anything to do with the corporate business of the Tea Company. It appears to have been simply a contrivance to enable the Tea Company to simulate a transfer of all its property when, in fact, the actual transaction had with its purchaser did not relate to all the Tea Company's property. In substance that transaction was a sale of part of its property—a taxable transaction—and the nature of the transaction could not be changed by the creation of another corporation merely to hold that part of the taxpayer's property which was not sold.

In the case of Gregory, supra, the corporation owning property transferred the part of its property intended to be sold to the corporation created for the purpose. In this case the corporation keeps the property intended to be sold and transfers the rest to a corporation created for the purpose of holding it. The principle applicable to each transaction is the same. The operations are equally artifices, and nothing more. Realities must control—not artifices.

155 (2) But what was done in this case was not reorganization, even if there had been an acquisition by the one corporation of substantially all the property of the other—which there was not. The substance of the taxpayer's claim is that its sale became a reorganization because it took some of the purchaser's stock in part payment of the purchase price. The point is important, because to sustain the contention would practically destroy the income tax on gains from sale of capital assets. Whatever the canons may be of construction, certainly the main one is not to construe so as to destroy. If it is the law, it would be folly to close any large sale without including some of the purchaser's stock in the purchase price, especially as in this case, where the purchaser's stock was for sale on the New York Stock Exchange. Though the tax on gains from sales is not repealed, none but the simple would need to pay it. But the able majority opinion of the Board of Tax Appeals demonstrates to my mind that it is not the law, and the decisions of the Circuit Courts of Appeals in West Texas Refining & Development Co. v. Commissioner of Internal Revenue (CCA 10), 68 F. (2d) 77; John A. Nelson Company v. Commissioner of Internal Revenue (CCA 7), — F. (2d) —, decided February 23,

1935; and John J. Watts, Hugh C. Sicard, and Parker Sloane v. Commissioner of Internal Revenue (CCA 2), — F. (2d) —, not yet reported, confirm the Board.

In the case of Cortland Specialty Co. v. Commissioner, 69 F. (2d) 937, the true intent and meaning of the reorganization provision of the revenue law was fully considered by the Court of Appeals of the Second Circuit, and it was shown that it was the purpose of Congress "to relieve those interested in corporations from profit taxes in cases where there was only a change in corporate form in which business was conducted, without an actual realization of gain from an exchange of properties." "In defining 'reorganization', section 203 (now 212) of the revenue act gives the widest room for all kinds of changes in corporate structure, but does not abandon the primary requisite that there must be some continuance of interest on the part of the transferor corporation or its stockholders in order to secure exemption. Reorganization presupposes continuance of business under modified corporate forms."

156 The Supreme Court, in Pinellas Ice Co. v. Commissioner, 287 U. S. 462, p. 470, says that its general view (of the true meaning and intent of the statute) is adopted and well sustained in the Cortland case, and it seems to me that declaration is conclusive against the claim for exemption in this case. The transaction of the Tea Company shown by the record in this case was simply a selling out of some of its property at a profit, and nothing else. Nothing indicates that the stock of the purchaser which it took on the sale as part of the purchase price was taken as a means of continuing its interest in the tea business. It only got 7½% of the outstanding stock of the Grand Union Company and it quit the tea business and took its gains in money and in stock which was equivalent to money, and which it was free to turn into money at the end of the year. To call the transaction anything other than a sale is to ignore the reality.

It is clear to my mind that the taxpayer owes the government some seventy-odd thousands of dollars of income tax; that the forms it went through did not affect the substance of the transaction or its liability; and that the decision of the Board of Tax Appeals ought to be affirmed.

157 In United States Circuit Court of Appeals, Eighth Circuit

No. 10031

MINNESOTA TEA COMPANY, PETITIONER

vs.

COMMISSIONER OF INTERNAL REVENUE

Decree

March 25, 1935

On petition to review decision of United States Board of Tax Appeal

This cause came on to be heard on the petition for review of a decision of the United States Board of Tax Appeals which redetermined a deficiency in the income tax of the petitioner for the period of January 1, 1928, to August 24, 1928, and was argued by counsel.

On consideration whereof, it is now here ordered, adjudged, and decreed by this court that the said petition for review in this cause, be, and the same is hereby, granted, and that the order of redetermination of said Board of Tax Appeals be, and it is hereby, reversed, without the taxation of costs in favor of either of the parties in this court.

And it is further ordered by this court that this cause be, and the same is hereby, remanded to the said Board of Tax Appeals with instructions for further proceedings not inconsistent with the opinion of this court.

March 25, 1935.

158 [Clerk's certificate to foregoing transcript omitted in printing.]

159 Supreme Court of the United States

Order allowing certiorari

Filed October 14, 1935

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Eighth Circuit is granted, and the case is assigned for argument immediately following No. 61.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

[Endorsement on cover]: File No. 39,728. U. S. Circuit Court of Appeals, Eighth Circuit. Term No. 174. Guy T. Helvering, Commissioner of Internal Revenue, Petitioner, vs. Minnesota Tea Company. Petition for a writ of certiorari and exhibit thereto. Filed June 25, 1935. Term No. 174 O. T. 1935.

U. S. GOVERNMENT PRINTING OFFICE: 1935